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CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
DADE COUNTY, FLORIDA

Substitute No. 2
Agenda Item No. 7(0)

MEMORANDUM

TO: Honorable Mayor and Members
Board of County Commissioners
[REDACTED]

FROM: Joaquin G. Avino, P.E., P.L.S.
County Manager

DATE: November 16, 1993

SUBJECT: Ordinance Authorizing
Issuance of Water and
Sewer System Bonds

0493-134

This Substitute Ordinance differs from the original as it includes comments from credit enhancers and rating agencies, and corrects scrivener's errors. These changes are immaterial in nature and do not affect the intent of the Ordinance.

MEMORANDUM

Substitute No. 2
Agenda Item No. 7(0)

TO: Hon. Chairperson and Members
Board of County Commissioners

DATE: November 16, 1993

FROM: [REDACTED] County Manager

SUBJECT: Ordinance Authorizing
Issuance of Water and
Sewer System Bonds

RECOMMENDATION

It is recommended that the Board enact the accompanying Ordinance authorizing the issuance of (a) Water and Sewer Revenue Refunding Bonds, Series 1993 (the "Series 1993 Refunding Bonds") in an amount not to exceed \$500,000,000, and (b) Water and Sewer System Revenue Bonds, Series 1993A (the "Series 1993A Bonds") in an amount not to exceed \$500,000,000 (collectively, with the Series 1993 Refunding Bonds, the "Bonds"). This Ordinance further provides for the establishment of terms, maturities, interest rates and other details of the Bonds by subsequent resolutions.

The proceeds from the sale of the Series 1993 Refunding Bonds, together with available funds of the Water and Sewer Authority Department (WASAD), if any, will be used, among other things, to refund certain outstanding indebtedness of WASAD. Bond proceeds from the sale of the Series 1993A Bonds, together with other available funds, will be used to: (a) fund or reimburse the cost of certain additions, extensions and improvements to the County's water and sewer treatment plants, facilities and distribution and collection systems (the "1993 Projects"); (b) provide for a reserve fund, if necessary; (c) pay for the cost of issuing the Series 1993A Bonds and to provide for credit enhancement and capitalized interest, if appropriate and applicable.

BACKGROUND

By relevant ordinances and resolutions, the Board has previously authorized the issuance of various WASAD bonds, state loans and loan obligations (collectively, the "Refunded Obligations") with a current aggregate outstanding principal balance of \$389,015,000, consisting of ten separate issuances fully described in the accompanying Ordinance.

It was determined that in order to achieve debt service savings and modernize the provisions by which the County can issue water and sewer system bonds in the future, the Refunded Obligations would have to be refunded. This Ordinance provides for the issuance of not to exceed \$500,000,000 Series 1993 Refunding Bonds for the purpose of refunding the Refunded Obligations and paying the cost of issuance of these bonds.

Additionally, the attached Ordinance also authorizes the issuance of not to exceed \$500,000,000 Series 1993A Bonds for the purpose of: (a) paying or reimbursing, together with other available funds and revenues, the cost of the Series 1993A Projects and the cost of issuance of the Series 1993A Bonds; and (b) providing for (i) a reserve fund, if appropriate; (ii) credit enhancement, if appropriate; and (iii) capitalized interest, if applicable.

The accompanying Ordinance also provides for the establishment of terms, maturities, interest rates and other details of the Bond by subsequent series resolutions of the Board.

The Finance & Budget Committee, at its meeting of September 3, 1993 approved the submission of this financing to the Board.

The Bonds will not constitute an indebtedness, obligation or pledge of the full faith and credit of Dade County, but will be payable solely from WASAD's Net Revenues and investment income earned on deposit in the Pledged Funds.

ECONOMIC ANALYSIS

1. The economic impact of the ordinance on the County's budget:

This Ordinance will have a direct economic impact on the County's Budget as the Bonds will be issued for the benefit of the Water and Sewer Authority Department. The refunding of the prior obligations represent an estimated present value debt savings of \$13.5 Million. The Ordinance will authorize and provide approximately \$500 Million in bond proceeds for additions and improvements to the County's water and wastewater treatment plants, facilities and distribution and collection systems.

2. The economic impact of the ordinance on the private sector:

None.

3. The effect of the ordinance on public or private employment:

None.

4. The costs and benefits, both direct and indirect, of establishing and maintaining the program set forth in the ordinance:

None.

5. Whether the ordinance is necessary to enable the County to obtain State or federal grants or other financing:

Yes, this Ordinance is necessary for the issuance of the Bonds to generate bond proceeds for (a) the refunding of certain WASAD obligations, and (b) the financing of the Series 1993A Project fully described on the accompanying Ordinance.

6. Whether another ordinance which is already in existence should be repealed or amended:

Various applicable ordinances and resolutions authorizing the Refunded Obligations will be repealed.

7. Whether the creation of a new ordinance is the best method of achieving the benefit derived.

This Ordinance is the only method available by which bonds can be issued and funds borrowed.

ORDINANCE NO. 93-134

ORDINANCE AUTHORIZING ISSUANCE OF NOT TO EXCEED \$500,000,000 OF DADE COUNTY, FLORIDA WATER AND SEWER SYSTEM REVENUE REFUNDING BONDS, SERIES 1993, FOR PURPOSE OF ADVANCE REFUNDING, REDEEMING AND PAYING, TOGETHER WITH OTHER AVAILABLE FUNDS AND REVENUES, AN AGGREGATE OUTSTANDING PRINCIPAL BALANCE OF \$389,015,000 TOGETHER WITH ACCRUED INTEREST AND REDEMPTION PREMIUMS, OF DADE COUNTY WATER AND SEWER SYSTEM REVENUE BONDS, DADE COUNTY WATER SYSTEM REVENUE BONDS, DADE COUNTY WATER SYSTEM REVENUE REFUNDING BONDS, SERIES 1992, DADE COUNTY WATERWORKS SYSTEM GENERAL OBLIGATION BONDS AND STATE LOANS AND LOAN OBLIGATIONS; PROVIDING FOR ESTABLISHMENT OF TERMS, MATURITIES, INTEREST RATES AND OTHER DETAILS OF BONDS BY SUBSEQUENT RESOLUTION; PROVIDING BY SUBSEQUENT RESOLUTION FOR ESCROW DEPOSIT AGREEMENT AND OTHER DOCUMENTATION NECESSARY FOR REFUNDING; AUTHORIZING ISSUANCE OF NOT TO EXCEED \$500,000,000 OF DADE COUNTY WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 1993A FOR PURPOSE OF PAYING OR REIMBURSING, TOGETHER WITH OTHER AVAILABLE FUNDS AND REVENUES, COST OF CERTAIN ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO COUNTY'S WATER AND SEWER TREATMENT PLANTS, FACILITIES AND DISTRIBUTION AND COLLECTION SYSTEMS; PROVIDING FOR ESTABLISHMENT OF TERMS, MATURITIES, INTEREST RATES AND OTHER DETAILS OF SAID BONDS; PROVIDING TERMS AND CONDITIONS FOR ISSUANCE OF ADDITIONAL BONDS; PROVIDING OTHER TERMS AND PROVISIONS FOR ISSUANCE OF ALL BONDS AUTHORIZED UNDER THIS ORDINANCE; AUTHORIZING HEDGE AGREEMENTS, HEDGE OBLIGATIONS AND HEDGE CHARGES; PROVIDING FOR SEVERABILITY AND EFFECTIVE DATE.

WHEREAS, the Board of County Commissioners (the "Board") of Dade County, Florida (the "County"), by applicable ordinances and resolutions, has previously authorized the issuance of certain Dade County Water and Sewer System Revenue Bonds, Dade County Water System Revenue Bonds, Dade County Waterworks System General Obligation Bonds and various state loans and loan obligations, more particularly described and defined herein (collectively, the "Refunded Obligations"); and

WHEREAS, as of the date of this Ordinance the Refunded Obligations constitute an aggregate outstanding principal balance of \$389,015,000 consisting of ten separate issuances, identified and described herein as the Water and Sewer System Revenue Bonds, Series A (the "Series A Bonds"), the Dade County Water System Revenue Refunding Bonds, Series 1992 (the "Series 1992 Bonds"), the Dade County Waterworks System General Obligation Bonds, Series A (the "Series A G.O. Bonds"), the Dade County Waterworks System General Obligation Bonds, Series B (the "Series B G.O. Bonds"), Dade County Waterworks System Refunding Bonds, Series 1987 (the "Series 1987 Bonds"), and certain state loans and loan obligations under Loan Agreements between the County as the "Local Agency" and the State of Florida as the "State Agency" (the "Series H State Loan", the "Series T State Loan", the "Series V State Loan", the "Series W State Loan"; and the "Series X State Loan"); and

WHEREAS, in order to achieve debt service savings and to modernize the underlying provisions by which the County will hereafter issue its water and sewer system bonds, and for other reasons related thereto, the Board desires to refund, redeem and pay, on a current or advance basis, as applicable, the Refunded Obligations; and, to accomplish this purpose, the Board has determined to issue water and sewer system revenue refunding bonds, Series 1993 (the "Series 1993 Refunding Bonds") in a principal amount not exceeding \$500,000,000, for the purpose of refunding the said Refunded Obligations, funding a reserve account, paying costs of credit enhancement, all as applicable, and paying the cost of issuance of said bonds; and

WHEREAS, the Board also has determined to issue bonds in an original principal amount not exceeding [\$500,000,000], to be designated Dade County, Florida Water and Sewer System Revenue Bonds, Series 1993A (the "Series 1993A Bonds"), for the purpose of paying, together with other available funds and revenues, the cost of certain additions and improvements to the County's water and wastewater treatment plants, facilities and distribution and collection systems (the "Series 1993A Project"), providing a reserve fund, if appropriate, providing credit enhancement, if appropriate, providing for capitalized interest, if applicable, and paying the cost of issuance of the Series 1993A Bonds; and

WHEREAS, the Board desires to make provision for the issuance of Additional Bonds from time to time, subject to the terms of this Ordinance; now therefore,

BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF
DADE COUNTY, FLORIDA:

ARTICLE I

Incorporation of Recitals and Definitions

SECTION 101. Incorporation of Recitals. The Board hereby finds and determines and does hereby incorporate as part of this Ordinance the matters set forth in the foregoing recitals.

SECTION 102. Meaning of Words and Terms. In addition to words and terms elsewhere defined in this Ordinance, the following words and terms as used in this Ordinance shall have the following meanings, unless some other meaning is plainly intended:

"Accountant" means the certified public accountants or firm of certified public accountants employed by the County under the provisions of Section 608 of this Ordinance to perform and carry out the duties imposed on the Accountant by this Ordinance.

"Accreted Value" means, with respect to any Compounding Interest Bond, (a) the amount representing the Accreted Value of such Bonds as of any Compounding Date, as established by the schedule of Accreted Values relating to such Bond, which amount represents the initial principal amount thereof plus the amount of interest that has accrued to such Compounding Date calculated on the basis of a three hundred and sixty (360) day year of twelve (12) thirty (30) day months, and (b) as of any date other than a Compounding Date, the sum of (i) the Accreted Value on the preceding Compounding Date plus (ii) the product of (x) a fraction, the numerator of which is the number of days having elapsed from the preceding Compounding Date and the denominator of which is the number of days from such preceding Compounding Date to the next succeeding Compounding Date, multiplied by (y) the difference between the Accreted Values on such Compounding Dates, which amount represents the principal plus the amount of interest that has accrued to such date of determination. The Board may provide by Series Resolution that, with respect to any Series, the Accreted Value as of any date other than a Compounding Date shall be determined using a constant interest rate method rather than as provided in (b).

"Additional Bonds" means any Bonds issued at any time under the provisions of Section 208 of this Ordinance.

"Amortization Requirements" means such moneys required to be deposited in the Redemption Account for the purpose of paying when due or redeeming prior to maturity any Term Bonds issued pursuant to this Ordinance, or the specific amounts and times of such

deposits to be determined in accordance with or under the authority of a Series Resolution authorizing the issuance of such Term Bonds.

"Annual Budget" means the Annual Budget of Operating Expenses and Capital Expenditures adopted pursuant to Section 603 of this Ordinance.

"Board" means the Board of County Commissioners of Dade County, Florida, or any successor of the board or body in which the general legislative powers of the County shall be vested.

"Bond Year" means the period commencing the first day of October in each year and ending on the last day of September of the following year.

"Bonds" means, collectively, any bonds issued under the provisions this Ordinance.

"Bondholders" or "Holder" means the holders or registered owners of Bonds.

"Bond Service Account" means the Bond Service Account in the Debt Service Fund created and designated by Section 502 of this Ordinance, together with any subaccount therein designated by this Ordinance or any applicable Series Resolution.

"Book-Entry Bonds" and "Bonds in Book-Entry Form" means Bonds which are subject to a Book-Entry System.

"Book-Entry System" or "Book-Entry-Only-System" means a system under which either (a) bond certificates are not issued and the ownership of bonds is reflected solely by the Register, or (b) physical certificates in fully registered form are issued to a securities depository or to its nominee as Registered Owner, with the certificated bonds held by and "immobilized" in the custody of such securities depository, and under which records maintained by Persons, other than the Registrar, constitute the written record that identifies the ownership and transfer of the beneficial interests in those Bonds.

"Capital Appreciation Bond" means a Bond which is a Compounding Interest Bond throughout its entire term.

"Capital Facilities Charges" means all payments received by the County or the Department which are related to acquiring, constructing, expanding or equipping capacity and facilities of the Water and Sewer Utility, for the purpose of reserving capacity in either the Water System or the Sewer System, connecting to either System, or paying or reimbursing any capital cost relating to such acquisition, construction, expansion or equipping of excess and

unused capacity of either System or any expansion thereof, including connection charges and impact fees relative to the Utility, but shall not include: (i) amounts received for the acceptance, treatment or disposal of sewage; (ii) amounts received from the sale of water; (iii) meter installation fees; and (iv) other revenues constituting Operating Revenues.

"Chairman" means the Chairman of the Board or in the absence of the Chairman, the Vice Chairman or the officer or officers succeeding to that function.

"Clerk" means the Clerk or Deputy Clerk of the Board or his/her designee or the officer or officers succeeding to his/her principal functions.

"Code" means the Internal Revenue Code of 1986, as amended from time to time. Each reference to a section of the Code herein shall be deemed to include the United States Treasury Regulations proposed or in effect thereunder and applied to the Bonds or the use of proceeds thereof, and also includes all amendments and successor provisions unless the context clearly requires otherwise.

"Compounding Date" means, with respect to any Compounding Interest Bond, the date on which interest is compounded for purposes of determining its Accreted Value.

"Compounding Interest Bond" means a Bond, the interest on which (a) shall be compounded periodically, (b) shall be payable at maturity or redemption prior to maturity, and (c) shall be determined by reference to Accreted Value and includes, but is not limited to, Capital Appreciation Bonds and Convertible Capital Appreciation Bonds.

"Construction Fund" means the Dade County Water and Sewer Utility Construction Fund, a special fund created and designated by Section 401 of this Ordinance.

"Consultant" means such qualified and nationally recognized independent consulting firm retained by the County, having favorable repute or skill and experience with respect to the services to be provided by such Consultant, as herein required.

"Convertible Capital Appreciation Bond" means a Bond the interest on which from its issuance date or dated date until a conversion date specified therein is compounded periodically, and from and after such conversion date is payable not less often than annually, calculated on the basis of the Accreted Value thereof on such conversion date, and the Accreted Value of which as of said conversion date is treated as the principal amount thereof for purposes of payment or redemption after such conversion date.

"Cost" or "Costs" as applied to any Improvements, means and shall embrace the cost of acquisition and construction and all obligations for expenses and all items of cost which are set forth in Section 403 of this Ordinance.

"Counterparty" means a party, other than the County, to a Hedge Agreement.

"County" means Dade County, Florida, a political subdivision of the State of Florida.

"County Attorney" means the County Attorney of the County, his designee or the officer or officers succeeding to the principal functions of that office.

"County Manager" means the County Manager of the County or his designee or the officer or officers succeeding to his principal functions.

"Credit Agreement" means any contract, agreement, or other instrument executed by the County in connection with obtaining or administering any Credit Facility or Reserve Account Credit Facility for any Bonds, including, but not limited to, any reimbursement agreement, financial guaranty agreement, or standby bond purchase agreement.

"Credit Facility" means a policy of insurance, a letter of credit, surety bond or other financial product which guarantees the prompt payment of all or any portion of the principal of, premium, if any, or interest on any of the Bonds, or to provide funds for the purchase of any Bonds for retirement or remarketing.

"Credit Facility Charges" means (a) Initial Credit Facility Charges, and (b) Recurring Credit Facility Charges.

"Credit Facility Provider" means an insurance company, bank, or other organization which has provided a Credit Facility in connection with any Series of Bonds.

"Debt Service Fund" means the Dade County Water and Sewer Utility Revenue Bonds Debt Service Fund, a fund created and designated by Section 502 of this Ordinance.

"Defeasance Obligations" means those obligations eligible to refund and defease Bonds of a Series which are defined and described in any applicable Series Resolution.

"Department" means the Miami-Dade Water and Sewer Department, the administrative entity of Dade County that operates the Water and Sewer Utility, or any successor thereto.

"Depository" means any bank or trust company duly authorized by law to engage in the banking business and designated by the County as a depository of moneys under the provisions of this Ordinance.

"Director" means the director of the Department appointed by the County Manager.

"Finance Director" means the Finance Director of the County, his designee or the officer or officers succeeding to his principal functions.

"First Lien Obligations" means the Series 1993 Refunding Bonds, the Series 1993 A Bonds and any additional Series of Bonds issued pursuant to this Ordinance, and shall also include, where applicable, other obligations, in each case specified by the applicable Series Resolution to be First Lien Obligations.

"Fiscal Year" means the fiscal year of the County.

"Fixed Rate Bond" means a bond, the interest rate on which (i) is not, under any circumstances, subject to change during its remaining term, or (ii) is subject to change at specified times and in specified amounts so that the yield and annual debt service for each period during its remaining term is fixed (such as a stepped coupon bond); any bond which was not a fixed rate bond as of its date of issuance shall become a fixed rate bond as of any date after its issuance on which it meets the requirements of (i) or (ii), above.

"GAAP" means generally accepted accounting principles for municipal utilities.

"General Reserve Fund" means the Dade County Water and Sewer Utility General Reserve Fund created and designated by Section 502 of this Ordinance.

"Government Obligations" means (i) any obligations which as to both principal and interest constitute non-pre-payable and non-callable (except at the option of the Holder thereof) direct obligations of, or non-pre-payable and non-callable (except at the option of the Holder thereof) direct obligations, the timely payment of which is fully and unconditionally guaranteed as to full and timely payment by the full faith and credit of the United States of America, including bonds, U.S. Treasury Securities-State and Local Government Series ("SLGS"), (ii) other evidences of indebtedness issued or guaranteed by any agency or corporation which has been or may hereafter be created pursuant to an Act of Congress as an agency or instrumentality of the United States of America to the extent unconditionally guaranteed as to full and timely payment by the United States of America, (iii) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (a) which are not callable for redemption prior to

maturity, or which have been duly called for redemption by the obligor on a date or dates specified and as to which irrevocable instructions have been given to a trustee in respect of such bonds or other obligations by the obligor to give due notice of such redemption on such date or dates, which date or dates shall be also specified in such instructions, (b) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash, bonds or other obligations of the character described in clauses (i) or (ii) above which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (iii), as appropriate, and (c) as to which the principal of and interest on the bonds and obligations of the character described in clauses (i) or (ii) above on deposit in such fund along with any cash on deposit in such fund are sufficient to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (iii) on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (iii), as appropriate; and (iv) certificates that evidence ownership of the right to payments of principal and/or interest on obligations described in any of clauses (i), (ii) or (iii) of this definition, provided that such obligations shall be held in trust by a bank or trust company or a national banking association authorized to exercise corporate trust powers and subject to supervision or examination by federal, state, territorial or District of Columbia authority and having a combined capital, surplus and undivided profits of not less than \$25,000,000. The definition of Government Obligations does not include, nor does it permit, investment in mutual funds or unit investment trusts.

"Hedge Agreement" means and includes an interest rate exchange agreement, an Interest Swap Agreement, forward purchase contract, put option contract, call option contract or other financial product which is used by the County as a hedging device with respect to its obligation to pay debt service on any of the Bonds, entered into between the County and a Counterparty; provided that such Counterparty shall be an entity whose long-term debt obligations, or whose payment obligations under the Hedge Agreement are guaranteed by an entity, whose senior long-term debt obligations are rated (on the date the Hedge Agreement is entered into) by Moody's Investors Service and Standard and Poor's Corporation or their respective successors in a rating category not less than "A" by Moody's Investors Service and "A" by Standard and Poor's Corporation; and further provided that such arrangement shall be specifically designated in a certificate of the Finance Director as a "Hedge Agreement" for purposes of this Ordinance; and provided further that at the time of entering into such Hedge Agreement the County shall have obtained written evidence that entering into such Hedge Agreement will not, in and of itself, result in a withdrawal or reduction of any rating assigned to the Bonds by a rating agency.

"Hedge Charges" means charges payable by the County to a Counterparty upon the execution, renewal or termination of any Hedge Agreement and any periodic fee payable by

the County to keep such Hedge Agreement in effect and other payments required thereby, exclusive of Hedge Obligations.

"Hedge Obligations" means (i) net payments required to be made by the County under a Hedge Agreement from time to time as a result of fluctuation in hedged interest rates, or fluctuation in the value of any index of payment and (ii) termination charges with respect to a Hedge Agreement, provided that with respect to any such termination charge, such termination charge may be considered as a Hedge Obligation (and not a Hedge Charge) if, on or before the date of entering into such Hedge Agreement, the County shall have obtained written evidence from each Rating Agency that such Hedge Agreement will not, in and of itself, result in the withdrawal or reduction of the rating(s) then applicable to the Bonds.

"Hedge Receipts" means net payments received by the County from a Counterparty under a Hedge Agreement.

"Improvements" means such improvements, renewals and replacements of the Water and Sewer Utility or any part thereof and such extensions and additions including additional water and sewer systems thereto as may be necessary or desirable, in the judgment of the County, to keep the same in proper condition for the safe, efficient and economic operation thereof and to integrate into the Water and Sewer Utility any unit or part thereof, and shall include such land, structures and facilities as may be authorized to be acquired or constructed by the County under the provisions of Florida law and such improvements, renewals and replacements of such land, structures and facilities of the Water and Sewer Utility and such extensions and additions thereto as may be necessary or desirable for continuous and efficient service to the public.

"Initial Credit Facility Charges" means and includes any premium, commitment fee or other issuance charges payable by the County to any Provider for the issuance of any Credit Facility or Reserve Account Credit Facility relating to any Bonds, at the time of the initial issuance of such Bonds, together with any fees and expenses relating thereto, including, but not limited to, the legal fees and expenses of legal counsel to the Provider of any Credit Facility or Reserve Account Credit Facility, which the County is required to pay or for which it is required to make reimbursement, but shall not include any Payment Obligations or Recurring Credit Facility Charges.

"Interest" or "interest" means the interest on the specified obligations; in the case of Compounding Interest Bonds, the interest component included in the Maturity Amount (and in the Accreted Value thereof payable at redemption) shall be deemed to constitute principal; provided, however, that for purposes of any limitation contained herein or in any Series Resolution on the issuance of an aggregate principal amount of Bonds of any Series, the

principal amount of Compounding Interest Bonds shall be the initial principal amount thereof on the Issuance Date.

"Interest Payment Date" means, when used with reference to any Bonds, the dates on which interest is stated to be due thereon, and any date on which interest becomes due thereon on account of the early redemption thereof or on account of the happening of an event which, under the terms of such Bonds, requires a payment of interest to be made thereon.

"Interest Swap Agreement" means an agreement between the County and a Counterparty under which the County is obligated to make periodic payments on a "notional amount" to the Counterparty at a fixed rate of interest and the Counterparty is obligated to make periodic payments to the County on such "notional amount" at a variable rate of interest, or vice-versa, and under which the amounts so payable by the County and such Counterparty on any date are netted against each other with the party owing the larger amount making a net payment to the other party.

"Investment Obligations" means (i) Government Obligations, (ii) bonds, debentures or notes issued by any of the following Federal agencies: Banks for Cooperatives, Federal Intermediate Credit Banks, Federal Home Loan Banks, Export-Import Bank of the United States, Government National Mortgage Association, Federal Land Banks, or the Federal National Mortgage Association (including participation certificates issued by such Association), (iii) all other obligations issued or unconditionally guaranteed as to principal and interest by an agency or person controlled or supervised by and acting as an instrumentality of the United States Government pursuant to authority granted by the Congress, (iv) general obligations of any state of the United States (other than obligations rated lower than the three highest grades by two Rating Agencies), (v) repurchase agreements with any bank or trust company organized under the laws of any state of the United States of America or any national banking association or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement is fully secured by Government Obligations delivered to another bank or trust company organized under the laws of any state of the United States of America or any national banking association, as custodian, (vi) certificates of deposit or similar arrangements with any Federal or State of Florida bank, trust company or savings and loan association which is a member of the Federal Deposit Insurance Corporation, (vii) investment agreements or contracts which are rated or are issued or guaranteed by an entity whose long-term unsecured obligations are rated in one of the two highest rating categories by both Moody's Investors Service and Standard & Poor's Corporation or their respective successors, and which are not required to be registered under the Securities Act of 1933 but may be so registered, whereby under each such investment agreement or contract the party is absolutely and unconditionally obligated to repay the moneys invested by the County and interest thereon at a guaranteed rate, without any right of recoupment, counterclaim or set off; provided, however, that such party may have the right to assign its

obligations under any such agreements or contracts to any other entity if the investment agreements or contracts shall continue to be rated in one of the two highest rating categories by both Moody's Investors Service and Standard & Poor's Corporation or their respective successors and if such agreements or contracts shall not be registered, the agreements or contracts shall not be required to be registered under the Securities Act of 1933 by reason of such assignment; and (viii) any other investment which is a permitted investment for public funds under County ordinance or rule approved by each Rating Agency.

"Maturity Amount" means, with respect to any Compounding Interest Bond, the value of such Compounding Interest Bond which is due at the stated maturity thereof.

"Maturity Date" means the stated date on which principal matures on Bonds or on which the Maturity Amount becomes payable on Compounding Interest Bonds.

"Maximum Principal and Interest Requirements" means, as of any particular date of calculation, the greatest amount of Principal and Interest Requirements for the then current or any future Fiscal Year.

"Multimodal Bond" means a Bond which contains provisions allowing for the payment of interest at different rates during different interest periods and for the establishment of different interest periods and interest rates; the interest rate during any particular interest period may be a Variable Rate or a fixed rate.

"Net Operating Revenues" means the Operating Revenues reduced by Operating Expenses.

"Operating Expenses" means all current expenses, paid or accrued, and any Operating Expense reserve as described in Section 502, for the operation, maintenance and ordinary current repairs of the Utility and its components, as calculated in accordance with GAAP, including, without limitation, insurance premiums (or comparable payments under a self-insurance or risk management program), labor, cost of materials and supplies used for current operation, charges for the accumulation of appropriate reserves for current expenses not annually recurrent but which are such as may reasonably be expected to be incurred in accordance with GAAP and Credit Facility Charges, administrative expenses and professional fees and expenses, before depreciation, amortization and interest expense determined in accordance with GAAP, provided, however, there shall not be taken into account:

- (a) any gain or loss resulting from either the extinguishment or refinancing of indebtedness;

- (b) loss from the sale, exchange or other disposition of capital assets not made in the ordinary course of business; and
- (c) any capital expenditures for renewal, replacement, expansion or acquisition of capital assets of the Utility (including any deposits to reserves therefor).

"Operating Revenues" or "Revenues" means all operating income or earnings received or accrued by the County from the ownership, operation or use of the Water and Sewer Utility, or any part thereof, including, but not limited to, user charges for the provision of water service and sewer service, meter installation fees, and the like, delinquent charges and investment earnings, but shall exclude any income from the investment of the Construction Fund, proceeds from insurance (except business interruption insurance), condemnation or the disposition of property not in the ordinary course of business, Capital Facilities Charges, grants, and proceeds from the sale of any obligations of the County (exclusive of short-term obligations for Utility working capital), and payments on special assessments for water and sewer improvements.

"Ordinance" means this Ordinance as the same may be amended or supplemented from time to time in accordance with Article VIII hereof.

"Outstanding" means, when used with respect to the Bonds, all Bonds theretofore delivered except:

- (a) Bonds paid or redeemed or delivered to or acquired by the County for cancellation;
- (b) Bonds issued under a particular Series Resolution which, under the terms of such Series Resolution, are no longer deemed to be outstanding (such as Bonds that have been defeased); and for purposes of voting, giving directions and granting consents, Bonds held by the County or by an agent of the County shall not be deemed outstanding, except that when Bonds are held by any tender agent or remarketing agent, such tender agent or remarketing agent rather than the County shall be deemed the holder for purposes of voting the same for purposes of amending this Ordinance or the Series Resolution under which the same were issued or for the purpose of giving directions or granting consents under this Ordinance or such Series Resolution.

"Payment Obligation" means an obligation of the County arising under a Credit Agreement: (a) to reimburse any Provider for amounts advanced by such Provider under a

Credit Facility or Reserve Account Credit Facility which are used (i) to pay any principal, Maturity Amount or Accreted Value of, premium on, or interest on any Bond or Bonds, or (ii) to purchase any Bond or Bonds for cancellation, or (iii) to purchase any Bond or Bonds for remarketing, or (b) to pay interest on any such advances.

"Pledged Funds" means the Revenue Fund, the Debt Service Fund, the General Reserve Fund, the Renewal and Replacement Fund, the Rate Stabilization Fund and to the extent provided herein, the Construction Fund and the Plant Expansion Fund, in each case together with all accounts and subaccounts therein.

"Pledged Revenues" means Net Operating Revenues (whether or not on deposit in the funds and accounts established herein).

"Principal" or "principal" means the principal of the specified obligations; in the case of Compounding Interest Bonds, the interest component of the Maturity Value (or Accreted Value thereof payable upon redemption) shall be deemed to constitute principal; provided that for purposes of any limitation contained herein or in any Series Resolution on the aggregate principal amount of Bonds of any Series, the principal amount thereof shall be the initial principal amount on the date of issuance thereof.

"Principal and Interest Requirements" or "Debt Service Requirements" means the respective amounts which are required in each Fiscal Year to pay (a) principal and interest on all Bonds then Outstanding; and (b) the Amortization Requirements, if any, for all Term Bonds then Outstanding for such Fiscal Year, provided, however:

- (i) the amount of such Principal and Interest Requirements for any Fiscal Year may be reduced by the amount of any capitalized interest to be used to pay interest in such Fiscal Year and by the anticipated earnings on the money in the applicable Bond Service Account, and such earnings will be deposited to the credit of the applicable Bond Service Account; and
- (ii) the Principal and Interest Requirements for any Bonds bearing interest at a Variable Rate shall be determined as provided in the definition of "Variable Rate" herein.

"Project" means the acquisition, construction, addition, improvement, sizing, separating and equipping of various components of the Utility, identified as a Project by a Series Resolution providing for the issuance of any obligation to finance the cost thereof, in whole or in part.

"Provider" means a Credit Facility Provider or Reserve Account Credit Facility Provider, as indicated by the context in which such term is used.

"Rate Stabilization Fund" means the Dade County Water and Sewer Utility Rate Stabilization Fund created and designated by Section 502 of this Ordinance.

"Rating Agency" means Moody's Investors Service, Standard & Poor's Corporation, and any other nationally recognized securities rating agency which has assigned a rating to any Series of Bonds.

"Rebate Amount" means the amount of any rebate or penalty in lieu of rebate which is payable under Section 148(f) of the Code.

"Recurring Credit Facility Charges" means and includes (a) all charges payable by the County to any Provider of a Credit Facility or Reserve Account Credit Facility under any Credit Agreement to renew or extend the term of any Credit Facility or Reserve Account Credit Facility, (b) all charges of the type described in the definition of "Initial Credit Facility Charges" relating to the replacement of any Credit Facility or Reserve Account Credit Facility for any Outstanding Bonds with a new Credit Facility or Reserve Account Credit Facility, and (c) any other fees, charges or amounts the County is required to pay to any Provider of a Credit Facility or Reserve Account Credit Facility (other than Initial Credit Facility Charges and Payment Obligations) under any Credit Agreement, including, but not limited to, draw fees, transaction fees, "gross-up charges" termination fees, annual fees, expenses of such Provider which the County is required to pay or for which it is required to reimburse such Provider, and any payments the County is required to make to indemnify any such Provider for any costs or expenses incurred by it or any loss suffered by it in connection with a Credit Facility or Reserve Account Credit Facility, but shall not include any Payment Obligations.

"Redemption Account" means the Redemption Account in the Debt Service Fund created and designated by Section 502 of this Ordinance.

"Refunded Obligations" means collectively or individually, as the context requires, (a) the Series A Bonds, (b) the Series 1992 Bonds, (c) the Series A G.O. Bonds, (d) the Series B G.O. Bonds, (e) the Series 1987 Bonds, (f) the Series T State Loan, the Series V State Loan, the Series X State Loan, the Series H State Loan and the Series W State Loan, all as further defined and described herein or in the Series Resolution relating to the refunding of said obligations.

"Refunding Bonds" means the Bonds issued at any time under the provisions of Section 209 of this Ordinance.

"Registrar, Paying Agent or Transfer Agent" means as to any Series of Bonds, the County or a bank or trust company within or without the State, which has been designated by the County as the Registrar, Paying Agent or Transfer Agent, or any one or combination of these functions, for such Series; provided, however, that any bank or trust company designated as Registrar, Paying Agent or Transfer Agent for any Series of Bonds issued hereunder must have an aggregate unimpaired reported capital, surplus and retained earnings of not less than \$25,000,000; provided further, that "Paying Agent" when used with respect to Refunded Obligations means those respective Paying Agents to which principal and interest on the Refunded Obligations are payable.

"Regular Record Date" means that day in the month immediately preceding any scheduled Interest Payment Date, that is established as the Regular Record Date by the Series Resolution applicable to such Series of Bonds.

"Renewal and Replacement Fund" means the Dade County Water and Sewer Utility Renewal and Replacement Fund created and designated by Section 502 of this Ordinance.

"Reserve Account" means the Reserve Account in the Debt Service Fund created and designated by Section 502 of this Ordinance.

"Reserve Account Credit Facility" means a surety bond, a policy of insurance, a letter of credit, or other financial product obtained by the County with respect to any Bonds, from an entity that is rated in one of the two highest rating categories by Moody's and Standard & Poor's and which financial product provides for payment of Principal and Interest on such Bonds in amounts not greater than the Reserve Account Requirement for such Bonds in the event of an insufficiency of available moneys herein to pay when due principal of, premium, if any, and interest on such Bonds.

"Reserve Account Requirement" means the Maximum Principal and Interest Requirements in the then current or any subsequent Fiscal Year on all Outstanding Bonds or such lesser amount which is the greatest allowable under the Code.

"Revenue Fund" means the Dade County Water and Sewer Utility Revenue Fund created and designated by Section 502 of this Ordinance.

"Separate System" means any water and/or sewer system which may be acquired by the County subsequent to the date of this Ordinance and designated by the County as a Separate System on or prior to the date of acquisition.

"Serial Bonds" means the Bonds of a Series which shall be stated to mature in sequential years.

"Series" means the Bonds delivered at any one or more times under the provisions of this Ordinance which are designated by or pursuant to this Ordinance or any supplemental ordinance of the Board or applicable Series Resolution as constituting a single Series.

"Series A Bonds" means that portion of the Refunded Obligations consisting of the outstanding principal balance of the Dade County Water and Sewer System Revenue Bonds, Series A, originally issued pursuant to the authority of Ordinance No. 78-81 of the County, and after repeal of said ordinance following the consolidation of the Miami-Dade Water and Sewer Authority Department into Dade County, secured by and issued under Ordinance No. 78-82 of the County, enacted by the Board on November 21, 1978 as amended and supplemented.

"Series A G.O. Bonds" means that portion of the Refunded Obligations consisting of the Dade County Waterworks System Bonds, Series A, issued pursuant to Ordinance No. 76-6, enacted by the Board on January 20, 1976.

"Series B G.O. Bonds" means that portion of the Refunded Obligations consisting of the outstanding principal balance of the Dade County Waterworks System Bonds, Series B, issued pursuant to Resolution No. R-634-79, adopted by the Board on May 15, 1979.

"Series H, Series T, Series V, Series W and Series X State Loans" (individually or collectively) means those portions of the Refunded Obligations consisting of the respective outstanding principal balances of those State Loans under various loan agreements between the Department of Environmental Regulation of the State of Florida and the Division of Bond Finance of the State Board of Administration (collectively, the "State Agencies") and Dade County (the "Local Agency"), authorized as local governmental agency loans from the State of Florida under the provisions of Section 14, Article VII of the Florida Constitution and Section 403.1834, Florida Statutes, the funds for which loans were provided through the issuance of the respective corresponding series of State of Florida Full Faith and Credit Pollution Control Bonds.

"Series 1987 Bonds" means that portion of the Refunded Obligations consisting of the outstanding principal balance of the Dade County Waterworks System Refunding Bonds, Series 1987, issued pursuant to Resolution No. R-401-87, adopted by the Board on April 7, 1987.

"Series 1992 Bonds" means that portion of the Refunded Obligations consisting of the outstanding principal balance of the Dade County Water System Revenue Refunding Bonds, Series 1992, issued pursuant to Resolution No. R-942-92 of the County, adopted by the Board on July 21, 1992.

"Series 1993A Bonds" means those bonds authorized to be issued hereunder for the purpose of paying the costs of Series 1993A Projects.

"Series 1993A Projects" means additions, extensions and improvements to the Water and Sewer Utility, to be more particularly described in the Series Resolution relating to the issuance of the Series 1993A Bonds.

"Series 1993 Refunding Bonds" means those Bonds authorized to be issued hereunder for the purpose of refunding, on a current or advance basis, as applicable, the Refunded Obligations.

"Series Resolution" or "Resolution" means, as to any one or more Series of Bonds, the resolution or resolutions, including any award resolution, of the County providing for the authorization, sale and issuance of a Series of Bonds and includes any certificate of award, any trust indenture, the bond purchase agreement or other document or instrument that is approved by or required to be executed by any such Resolution, including any State Revolving Fund Loan Agreement or agreement relating to a State Loan.

"Sewer System" means and includes any plant, system, facility or property, and additions, extensions and improvements thereto at any future time constructed or acquired as part thereof, owned by the County and useful or necessary or having a present capacity for future use in connection with the collection, treatment, purification and disposal of sewage of any nature or originating from any source, and without limiting the generality of the foregoing definition, shall embrace treatment plants, pumping stations, lift stations, valves, force mains, intercepting sewers, laterals, pressure lines, mains and all necessary appurtenances and equipment, all wastewater mains and laterals for the reception and collection of sewage from premises connected therewith, and shall include all real and personal property and any interest therein, rights, easements and franchises of any nature whatsoever relating to any such system and necessary or convenient for the operation thereof. Sewer System shall not include, at the option of the County, Separate Systems.

"State Loan" means, generally (and in addition to the State Loans constituting part of the Refunded Obligations); (i) any loan from the State of Florida to the County for Improvements to the Water and Sewer Utility pursuant to any State of Florida Pollution Control Loan Agreement ("Loan Agreement") entered into pursuant to the authority granted by Article VII, Section 14 of the Florida Constitution and Section 403.1834, Florida Statutes, or any legislation continuing such authority, and (ii) any indebtedness (other than Bonds) issued for the purpose of providing funds for paying or prepaying all or any portion of a loan described in clause (i) of this definition.

"State Revolving Fund Loan Agreement" means any and all agreements between the State of Florida Department of Environmental Regulation and the County; executed under and pursuant to the applicable laws of the State of Florida.

"Subordinate Obligations" means indebtedness or other payment obligation which, with respect to any issue thereof, by operation of law, contract, indenture or other document, is subordinated and subject in right to the prior payment in full, from Pledged Revenues, of the Bonds. Subordinate Obligations include, but are not limited to, all obligations of the County under any State Revolving Fund Loan Agreement.

"Term Bonds" means that portion of the Bonds of any Series which are stated to mature on one date in a calendar year and which shall be subject to mandatory redemption by operation of Amortization Requirements.

"Variable Rate" means, when used with respect to any Bonds or Hedge Obligation, Bonds or Hedge Obligations having (or determined by reference to) an interest rate which is subject to future change so that at the date any calculation of interest thereon is required to be made hereunder or under any Series Resolution, the interest payable at any future time or for any interest period (which is relevant to such calculation) is not known. For the following purposes, interest on Variable Rate Bonds shall be calculated as follows:

- (a) If, as of the date of any calculation, any Outstanding Bond is a Variable Rate Bond, or if any Additional Bond to be issued is a Variable Rate Bond, the following rules shall apply:
 - (i) At the time of establishing the Annual Budget for any Fiscal Year, the rate of interest on any outstanding Variable Rate Bond shall be deemed to be (A) if no Hedge Agreement relating to such Bond shall be in effect, the mean average interest rate borne by such Bond during the preceding twelve (12) months (or such shorter period as such Bond has been outstanding), or (B) if a Hedge Agreement relating to such Bond is in effect for any period during such Fiscal Year, the interest rate determined by taking into account the payments expected to be made or expected to be received by the County under such Hedge Agreement (other than Hedge Charges) shall be used for such period, such that if the Bonds and the Hedge Agreement taken together result in a net fixed rate payable by the County for such period, such net fixed rate shall be deemed to be the rate of interest on such Bonds for purposes hereof, or (C) if two Variable Rate Bonds taken together result in a net fixed rate payable by the County, such net fixed rate

shall be deemed to be the interest rate for such bonds for the purpose hereof. If a Hedge Agreement is in effect and the County's Hedge Obligation is a Variable Rate, then such rate shall be deemed to be the Assumed Interest Rate set forth in subparagraph (iii) below.

- (ii) For purposes of determining whether Additional Bonds may be issued under Sections 208 and 209 of this Ordinance, and for the purpose of compliance with the rate covenants set forth in Section 602, the rate of interest on any then outstanding Variable Rate Bonds shall be determined as set forth in (a)(i) above.
 - (iii) For purposes of determining whether Additional Bonds may be issued, the interest rate on the proposed Variable Rate Bond shall be deemed to be the "Assumed Interest Rate" as defined below; or if a Hedge Agreement is in effect the interest rate shall be as set forth in (i) B above. If a Hedge Agreement is in effect and the County's Hedge obligation is a variable rate, then such rate shall be deemed to be the Assumed Interest Rate. As used herein the "Assumed Interest Rate" shall be deemed to be the greater of (A) the sum of the average of the actual interest rates on seven day obligations for the immediately preceding 52 weeks (or if not available for the 52 week period, then for the period for which available), as shown by the Public Securities Association Municipal Swap Index, published by Thompson Financial Services (or if such index is not published, a like 7 day index for high quality variable rate demand obligations selected by the County) for such period, plus 50 basis points, or (B) the average of the interest rate which would have been applicable to such Variable Rate Bonds pursuant to the index or formula specified for determination on the interest on such Variable Rate Bonds during the immediately preceding 52 weeks (or if not available for such 52 week period, for the period for which available).
- (b) A Multimodal Bond shall be deemed to be a Variable Rate Bond unless and until it has been irrevocably converted to bear a fixed interest rate for the entire balance of its term.

"Water and Sewer Utility" or "Utility" means, collectively, the water supply, treatment and distribution system and the sewage collection, transmission, treatment and disposal system owned and operated by the County, together with any Improvements, extensions or

enlargements, as same may exist from time to time; provided, however, the Water and Sewer Utility shall not include, at the option of the County, any Separate Systems.

"Water System" means and includes any plant, system, facility or property, and additions, extensions and improvements thereto at any future time constructed or acquired as part thereof, owned by the County and useful or necessary or having the present capacity or future use in connection with the development of sources, treatment or purification and distribution of water, and, without limiting the generality of the foregoing, shall include dams, reservoirs, storage tanks, mains, lines, valves, meters, pumping stations, laterals and pipes for the purpose of carrying water to the premises connected with such system, and shall include all real and personal property and any interest therein, rights, easements and franchises of any nature whatsoever relating to any such system and necessary or convenient for the operation thereof. Water System shall not include, at the option of the County, Separate Systems.

SECTION 103. Interpretations. Unless the context shall otherwise indicate, the words "Bond", "owner", "holder" and "person" shall include the plural as well as the singular number, the word "person" means any individual corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof, and the word "holder" or "bondholder" when used herein with respect to Bonds issued hereunder shall mean the Holder or registered owner, as the case may be, of Bonds at the time issued and outstanding hereunder.

ARTICLE II

Issuance of Bonds; Form, Execution, Delivery and Registration of Bonds.

SECTION 201. Authority for Issuance of Bonds. The Bonds authorized to be issued under this Ordinance are issued, and the Hedge Agreements authorized to be secured under the provisions hereof are entered into pursuant to the authority of the Constitution and laws of the State of Florida, including, but not limited to the Dade County Home Rule Amendment and Charter, as amended, Chapters 125, 159 and 166, Florida Statutes, and all other applicable laws.

(a) The Series 1993 Refunding Bonds. There is hereby authorized to be issued Bonds in an aggregate principal amount not exceeding \$500,000,000, for the purpose of refunding, on a current or advance basis, the Refunded Obligations, paying the cost of issuance of said Bonds, and paying such other costs as may be specified or provided for in the Series Resolution relating to the issuance of said Series 1993 Refunding Bonds.

The details of a plan of refunding, including providing for the creation of an escrow deposit agreement or agreements, the designation of an escrow agent or agents and providing for the purchase of Defeasance Obligations, will be as set forth in or provided for by the Series Resolution relating to the Series 1993 Refunding Bonds.

(b) The Series 1993A Bonds. There is hereby authorized to be issued Bonds in an aggregate principal amount not to exceed [\$500,000,000] for the purpose of paying all or a portion of the cost of the Series 1993A Projects, providing for capitalized interest, the costs of credit enhancement, providing a reserve fund, and paying for such other costs incidental to the issuance of said Bonds, all as may be provided for in the Series Resolution relating to the Series 1993A Bonds.

(c) Additional Bonds, Refunding Bonds and Completion Bonds. There may be issued, from time to time, pursuant to the provisions of this Ordinance, Additional Bonds, Refunding Bonds and Completion Bonds, subject to the terms and provisions hereinafter provided in Sections 208, 209 and 210.

SECTION 202. Details of Bonds. The Series Resolution relating to any Series of Bonds shall provide for establishing the terms and provisions of the Bonds of each such Series, including, but not limited to the denomination of each Bond, the numbering sequence of the Bonds, interest rates, maturities, payment dates and redemption provisions. The Bonds of each Series shall bear an appropriate title, which shall include an identifying Series designation.

The County may issue all manner and forms of Bonds hereunder, including, but not limited to Fixed Rate Bonds, Variable Rate Bonds (including index, auction, inverse floater or other types of Variable Rate Bonds), Capital Appreciation Bonds, Convertible Capital Appreciation Bonds, Compounding Interest Bonds, MultiModal Bonds, Serial Bonds, Term Bonds, taxable or tax-exempt Bonds, and any one or combination of these.

The County may enter into Hedge Agreements, Interest Swap Agreements, agreements regarding Credit Facilities, and all other forms of contracts relating to the issuance of Bonds, whether or not related to a specific Series of Bonds.

Principal, interest or the Accreted Value thereof on the Bonds and premiums, if any, shall be paid in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts. The Bonds shall be payable at such places and in such other manner as shall be provided for in the Series Resolution under which such Bonds are issued.

SECTION 203. Execution and Form of Bonds.

(a) Bonds shall be signed by, or bear the facsimile signature of the Chairman and shall be signed by or bear the facsimile signature of, the Clerk, and a facsimile of the official seal of the County shall be imprinted on the Bonds. When applicable, the Bonds shall be authenticated by manual signature of an authorized signer on behalf of an authenticating agent for such Bonds. The County may provide by Series Resolution any other uniform method for execution and authentication of Bonds.

(b) The form of any Bonds shall be specified in or provided for in the Series Resolution under which such Bonds are issued.

(c) Bonds issued pursuant to any Series Resolution may be issued in Book-Entry Form, or may be issued in fully certificated form.

SECTION 204. No Necessity for Validation. The Bonds issued under and pursuant to this Ordinance are not required to be validated; however, Bonds of any Series may be validated at the option of the County.

SECTION 205. Negotiability, Registration and Transfer of Bonds. At the option of the registered Holder thereof and upon surrender thereof at the designated corporate trust office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered Holder or his duly authorized attorney, and upon payment by such Holder of any charge which the Registrar may make as provided in this Section, the Bonds

may be exchanged for Bonds of the same Series, interest rate, maturity date and tenor of any other authorized denominations.

The Registrar shall keep books for the registration of Bonds and for the registration of transfers of Bonds. The Bonds shall be transferable by the Holder thereof in person or by his attorney duly authorized in writing only upon the registration books of the County kept by the Registrar and only upon surrender thereof together with a written instrument of transfer satisfactory to the Registrar duly executed by the Holder or his duly authorized attorney. Upon the transfer of any such Bond, the County shall issue in the name of the transferee a new Bond or Bonds.

The County, the Paying Agent and the Registrar shall deem and treat the person in whose name any Bond shall be registered upon the books kept by the Registrar as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Bond as the same become due and for all other purposes. All such payments so made to any such Holder or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the County, the Paying Agent nor the Registrar shall be affected by any notice to the contrary.

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, the County shall execute and the Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Ordinance or any applicable Series Resolution. All Bonds surrendered in any such exchanges or transfers shall forthwith be delivered to the Registrar and canceled by the Registrar in the manner provided in this Section. There shall be no charge for any such exchange or transfer of Bonds, but the County or the Registrar may require the payment of a sum sufficient to pay any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer. Neither the County nor the Registrar shall be required (a) to transfer or exchange Bonds for a period from a Regular Record Date to the next succeeding Interest Payment Date on such Bonds or 15 days next preceding any selection of Bonds to be redeemed or thereafter until after the mailing of any notice of redemption; or (b) to transfer or exchange any Bonds called for redemption. However, if less than all of a Term Bond is redeemed or defeased, the County shall execute and the Registrar shall authenticate and deliver, upon the surrender of such Term Bond, without charge to the Bondholder, for the unpaid balance of the principal amount of such Term Bond so surrendered, a registered Term Bond in the appropriate denomination and interest rate.

All Bonds paid or redeemed, either at or before maturity shall be delivered to the Registrar when such payment or redemption is made, and such Bonds, together with all Bonds purchased by the County, shall thereupon be promptly canceled. Bonds so canceled may at any time be destroyed by the Registrar, who shall execute a certificate of destruction in duplicate by

the signature of one of its authorized officers describing the Bonds so destroyed, and one executed certificate shall be filed with the County and the other executed certificate shall be retained by the Registrar.

The County, by Series Resolution, may provide for the registration of the Bonds of any Series by adopting the Book-Entry System for such Series. Beneficial ownership of such Bonds shall be transferred in accordance with the procedures of the Securities Depository and its participants.

SECTION 206. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the County may in its discretion cause to be executed, and the Registrar shall authenticate and deliver, a new Bond of like date and tenor as the Bond so mutilated, destroyed, stolen or lost in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder furnishing the County and the Registrar proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the County and the Registrar may prescribe and paying such expenses as the County and the Registrar may incur. All Bonds so surrendered shall be canceled by the Registrar or Paying Agent on behalf of the County. If any of the Bonds shall have matured or be about to mature, instead of issuing a substitute Bond, the County may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds issued pursuant to this Section 206 shall constitute original, additional contractual obligations on the part of the County whether or not the lost, stolen or destroyed Bonds be at any time found by anyone, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the funds, as hereinafter pledged, to the same extent as all other Bonds issued hereunder.

SECTION 207. Preparation of Definitive Bonds; Temporary Bonds. Until definitive Bonds are prepared, the Chairman and the Clerk may execute and the Registrar may authenticate, in the same manner as is provided in Section 203 of this Article II, and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds, one or more printed, lithographed or typewritten temporary fully registered Bonds, substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in authorized denominations or any whole multiples thereof, and with such omissions, insertions and variations as may be appropriate to such temporary Bonds. Upon the surrender at the corporate trust office of the Registrar of such temporary Bonds for which no payment or only partial payment has been provided, the Registrar shall authenticate and, without charge to the Holder thereof, deliver in exchange therefor, definitive Bonds of the same

aggregate principal amount and maturity as the temporary Bond surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant to this Ordinance.

SECTION 208. Provisions for Issuance of Additional Bonds; Debt Service Coverage Requirements. Additional Bonds of the County and any other obligations that are First Lien Obligations, which for the purposes of this Section are deemed Additional Bonds (other than Completion Bonds and Refunding Bonds), may be issued under and secured by this Ordinance, subject to the conditions hereinafter provided in this Section, from time to time, (i) for the purpose of paying all or any part of the cost of constructing or acquiring any improvements, (ii) or to refund any obligations of the County which financed or refinanced any Improvements, or (iii) to finance termination payments relating to Hedge Agreements.

Before any Series of Additional Bonds shall be issued under the provisions of this Section 208, the Board shall adopt a Series Resolution authorizing the issuance of such Additional Bonds, providing for the amount and the details thereof, and describing in brief and general terms the Project to be constructed or acquired (or, if applicable, obligations to be refunded). The Additional Bonds of each Series issued under the provisions of this Section shall be dated, shall mature (subject to the right of prior redemption as hereinafter set forth) on such dates in such year or years not more than the number of years allowed by law after the date of such Additional Bonds, shall have such Paying Agents, and any Term Bonds of such Series shall have such Amortization Requirements, and may be made redeemable at such times and prices (subject to the provisions of Article III of this Ordinance), all as may be specified in or provided for by or pursuant to the Series Resolution authorizing the issuance of such Additional Bonds. Such Additional Bonds, if issued in certificated form, shall be executed substantially in the manner hereinabove set forth, with such changes as may be necessary or appropriate to conform to the provisions of the Series Resolution authorizing the issuance of such Additional Bonds. Prior to the delivery of each Series of Additional Bonds, there shall be filed with the Finance Director the following:

- (a) a copy, certified by the Clerk, of the Series Resolution mentioned above;
- (b) a copy, certified by the Clerk, of the Resolution adopted by the Board awarding such Additional Bonds and directing the delivery of such Additional Bonds to or upon the order of the purchasers therein named upon payment of the purchase price therein set forth, or if such Additional Bonds are sold by competitive bid, authorizing the receipt of bids and acceptance of the best qualifying bid received;
- (c) a certificate, signed by the Finance Director

- (i) setting forth the amount of the Net Operating Revenues for any four consecutive quarters (the "Computation Period") in the preceding six quarters. For purposes of this paragraph (c), the Net Operating Revenues, at the election of the County, may be adjusted as follows (provided that, each such adjustment shall be certified by the Consultant in a certificate or report which shall set forth the assumptions upon which it is based and shall state that such assumptions, in the opinion of the Consultant, form a reasonable basis for the conclusions expressed therein):
 - (1) in case the rates and charges for the services furnished by the Water and Sewer Utility shall have been revised and such revised rates and charges shall have gone into effect prior to the delivery of the Additional Bonds, by adding the additional amount of Net Operating Revenues which would have been received during the Computation Period if such rates and charges had been in effect during the Computation Period, and
 - (2) in case an existing water system, sewer system or water and sewer system is to be acquired with the proceeds of the Additional Bonds, by adding the additional amount of Net Operating Revenues which would have been realized during the Computation Period if such existing water system, sewer system or water and sewer system to be acquired had been a part of the Water and Sewer Utility during the Computation Period, and
 - (3) in case the County shall enter into a contract with any governmental unit, the term of which shall be at least as long as the term of the Additional Bonds then sought to be delivered, in which the County agrees either to furnish services for the collection, treatment and disposal of sewage or other waste matter or to furnish services in connection with any water system, the additional amount of Net Operating Revenues which would have been realized during the Computation Period if such contract had been in effect during the Computation Period, and
 - (4) in case the County shall construct or acquire any Improvements to the Water and Sewer Utility with the

proceeds of the Additional Bonds then sought to be delivered and shall have established rates and charges to be charged and collected from the users of such Improvements, by adding the amount of the Net Operating Revenues estimated to be realized during the first twelve (12) months after the date of completion, as estimated by the Consultant, of such Improvements, and

- (5) in case the County has made deposits of Net Operating Revenues to or withdrawals from the Rate Stabilization Fund during the Computation Period, by subtracting the amount of any such deposits and adding the amount of any such withdrawals;
- (ii) setting forth the respective amounts of the Principal and Interest Requirements for each Fiscal Year thereafter including the Additional Bonds then requested to be delivered; and stating that the adjusted Net Operating Revenues (as determined by subparagraph (i) above) for the Computation Period shall have equalled at least the sum of:
 - (1) one hundred ten percent (110%) of the Maximum Principal and Interest Requirement on all Bonds to be Outstanding as of the date of such issuance, plus
 - (2) one hundred percent (100%) of all required deposits to the Reserve Account during the Computation Period.

Subordinate Obligations. In addition to satisfying the debt service coverage requirements set forth above, the Adjusted Net Operating Revenues remaining after deduction of the Maximum Principal and Interest Requirements on all Bonds shall be at least equal to one hundred percent (100%) of all debt service and reserve requirements on Subordinate Obligations;

- (d) a certificate signed by the Consultant setting forth:
 - (i) the estimated date on which such Improvements will be placed in operation (if the improvements being financed or refinanced have not theretofore been placed in service);

- (ii) the Consultant's estimate of the Net Operating Revenues for each of the three Fiscal Years following the Fiscal Year in which the Improvements will be placed in operation as estimated in item (i) of said certificate, taking into account the rates and charges in effect on the date of delivery of such Additional Bonds and any revised rates and charges that shall become effective prior to or during such Fiscal Year; and
 - (iii) that after taking into account (i) and (ii) above, the Adjusted Net Operating Revenues will satisfy the ratio set forth in Section 208(c)(ii) above, and that the Adjusted Net Operating Revenues remaining after deduction of the Maximum Principal and Interest Requirements on all Bonds shall be at least equal to one hundred percent (100%) of all debt service and reserve requirements on Subordinate Obligations;
- (e) an opinion of the County Attorney stating that the issuance of such Additional Bonds has been duly authorized.

State Loans. If the County enters into any Loan Agreement for a State Loan, the covenants and agreements herein shall be for the benefit of the Holder of such State Loan and the County shall further comply with all provisions of the instrument authorizing such State Loan.

Series 1993A Bonds Not Additional Bonds. Bonds authorized herein as Series 1993A Bonds shall not be deemed to be Additional Bonds, but prior to the delivery and issuance of such Series 1993A Bonds, the Finance Director shall deliver a certificate to the effect that the rate covenants contained in Section 602 are being complied with.

When the documents mentioned above in this Section shall have been filed with the Finance Director and when the Additional Bonds described in the Resolutions mentioned in clauses (a) and (b) of this Section shall have been executed as required by this Ordinance, the County shall deliver such Additional Bonds at one time to or upon the order of the purchasers named in the Resolution mentioned in said clause (b), but only upon payment to the County of the purchase price of such Additional Bonds.

The proceeds, excluding accrued interest, any premium of such Series of Additional Bonds and any proceeds to be deposited in the Reserve Account for the Bonds of such Series shall be deposited by the Finance Director with one or more Depositories to the credit of

a special account or accounts, which shall be created and appropriately designated in the Series Resolution, and shall be applied to the payment of the Cost of such Improvements and the cost of issuance of the Bonds. The amount received as accrued interest and any premium on such Bonds shall be deposited to the credit of the Bond Service Account for application to the interest due on such Bonds. Any proceeds which are required by the applicable Series Resolution to fund the Reserve Account for such Bonds or to purchase a Reserve Account Credit Facility for such Bonds shall be used for said purpose.

SECTION 209. Refunding Bonds. Refunding Bonds may be issued under and secured by this Ordinance, subject to the conditions hereinafter provided in this Section, from time to time for the purpose of providing funds for paying at maturity and redeeming all or any part of the outstanding Bonds of any one or more Series, including the payment of any redemption premium thereon and any interest which will accrue on such Bonds and any principal on Serial Bonds which will mature on the redemption date or stated maturity date or dates and any expenses in connection with such paying at maturity and redemption.

Before any Series of Refunding Bonds shall be issued under the provisions of this Section, the Board shall adopt a Series Resolution authorizing the issuance of such Refunding Bonds, fixing or providing for the fixing of the amount and details thereof, and describing the Bonds to be paid and redeemed. Such Refunding Bonds shall be dated, shall be stated to mature (subject to the right of prior redemption as hereinafter set forth) on such dates in such year or years not more than the number of years allowed by law after the date of such Refunding Bonds, shall have such Paying Agents, and any Term Bonds of such Series shall have such Amortization Requirements, and may be made redeemable at such times and prices (subject to the provisions of Article III of this Ordinance), all as may be specified in or provided for by the Series Resolution authorizing the issuance of such Refunding Bonds. Such Refunding Bonds, if issued in certificated form, shall be executed substantially in the manner hereinabove set forth, with such changes as may be necessary or appropriate to conform to the provisions of the Series Resolution authorizing the issuance of such Refunding Bonds. Prior to or simultaneously with the delivery of such Refunding Bonds by the Finance Director, there shall be filed with the Finance Director the following:

- (a) a copy, certified by the Clerk, of the Series Resolution authorizing the issuance of such Refunding Bonds;
- (b) a copy, certified by the Clerk, of the Resolution adopted by the Board, awarding such Refunding Bonds and directing the delivery of such Refunding Bonds to or upon the order of the purchasers therein named upon payment of the purchase price therein set forth;

- (c) an opinion of the County Attorney to the effect that the issuance of such Refunding Bonds has been duly authorized and that all conditions precedent to the delivery of such Refunding Bonds have been fulfilled;
- (d) a certificate, signed by the Finance Director, either:
 - (1) stating that the Principal and Interest Requirements for each Fiscal Year thereafter (except for years subsequent to the final maturity of all then Outstanding Bonds) on account of all Bonds to be Outstanding after the issuance of such Bonds and the payment and redemption of the Bonds to be paid and redeemed shall not exceed the Principal and Interest Requirements for each such Fiscal Year on account of all Bonds Outstanding immediately prior to the issuance of such Bonds, or
 - (2) complying with Paragraph 208(c) hereof.
- (e) such documents as shall be required by the Finance Director to show that provision has been duly made in accordance with the provisions of this Ordinance for the payment or redemption of all of the Bonds to be paid or redeemed.

When the documents mentioned above in this Section shall have been filed with the Finance Director and when the Refunding Bonds described in the Resolutions mentioned in clauses (a) and (b) of this Section shall have been executed as required by this Ordinance, the Finance Director shall deliver such Refunding Bonds at one time to or upon the order of the purchasers named in the Resolution mentioned in said clause (b), but only upon payment to the Finance Director of the purchase price of such Refunding Bonds.

SECTION 210. Completion Bonds. Bonds may be issued under and secured by this Ordinance, subject to the conditions hereinafter provided in this Section, from time to time for the purpose of providing funds for paying the cost of completion of any Project for which one or more Series of Bonds have theretofore been issued, in a principal amount not greater than ten percent (10%) of the estimated cost of such Project.

Before any Series of Completion Bonds shall be issued under the provisions of this Section, the Board shall adopt a Series Resolution authorizing the issuance of such Completion Bonds, fixing or providing for the fixing of the amount and details thereof, and describing the Improvements. Such Completion Bonds shall be dated, shall be stated to mature (subject to the right of prior redemption as hereinafter set forth) on such dates in such year or years not more than the number of years allowed by law after the date of such Completion

Bonds, shall have such Paying Agents, and any Term Bonds of such Series shall have such Amortization Requirements, and may be made redeemable at such times and prices (subject to the provisions of Article III of this Ordinance), all as may be specified in or provided for by the Series Resolution authorizing the issuance of such Completion Bonds. Such Completion Bonds, if issued in certificated form, shall be executed substantially in the manner hereinabove set forth, with such changes as may be necessary or appropriate to conform to the provisions of the Series Resolution authorizing the issuance of such Completion Bonds. Prior to or simultaneously with the delivery of such Completion Bonds by the Finance Director, there shall be filed with the Finance Director the following:

- (a) a copy, certified by the Clerk, of the Series Resolution mentioned above authorizing the issuance of such Completion Bonds;
- (b) a copy, certified by the Clerk, of the resolution adopted by the Board, awarding or authorizing the award of such Completion Bonds and directing the delivery of such Completion Bonds to or upon the order of the purchasers therein named upon payment of the purchase price therein set forth;
- (c) an opinion of the County Attorney stating that the signer is of the opinion that the issuance of such Completion Bonds has been duly authorized and that all conditions precedent to the delivery of such Completion Bonds have been fulfilled;

When the documents mentioned above in this Section shall have been filed with the Finance Director and when the Completion Bonds described in the resolutions mentioned in clauses (a) and (b) of this Section shall have been executed as required by this Ordinance, the Finance Director shall deliver such Completion Bonds at one time to or upon the order of the purchasers named in the resolution mentioned in said clause (b), but only upon payment to the Finance Director of the purchase price of such Completion Bonds.

SECTION 211. Moneys Held in Trust. All moneys which the County shall have withdrawn from the Debt Service Fund or shall have received from any other source and deposited with the Paying Agents, for the purpose of paying any of the Bonds hereby secured, either at the maturity thereof or upon call for redemption, or for the purpose of paying any interest on, the Bonds hereby secured, shall be held in trust for the respective Holders of such Bonds. But any moneys which shall be so set aside or deposited and which shall remain unclaimed by the Holders of such Bonds for the period of six (6) years after the date on which amount shall have become due and payable, upon the County's request in writing, shall be paid to the County or to such officer, board or body as may then be entitled by law to receive the same, and thereafter the Holders of such Bonds shall look only to the County or to such officer,

board or body, as the case may be, for the payment and then only to the extent of the amounts so received without any interest thereon, and the Paying Agents shall have no responsibility with respect to such moneys.

SECTION 212. Cancellation of Bonds. All Bonds paid, redeemed or purchased, either at or before maturity, shall be canceled by the Paying Agent upon the payment, redemption or purchase of such Bonds. All Bonds canceled under any of the provisions of this Ordinance shall be destroyed by the Paying Agent and the person so destroying such Bonds shall execute a certificate in triplicate describing the Bonds, and one executed certificate shall be filed with the Clerk, one executed certificate shall be filed with the Finance Director and the other executed certificate shall be retained by the person making such certificate.

ARTICLE III

Redemption

SECTION 301. Provisions for Redemption. Each Series of Bonds shall be subject to redemption prior to their maturity upon the terms and conditions and at such times, in such manner and at such redemption price or premium as shall be provided for by the Series Resolution adopted with respect to such Series of Bonds.

SECTION 302. Notice of Redemption. In the event any Bonds are called for redemption, the Paying Agent shall give notice in the name of the County, of the redemption of such Bonds, which notice shall (i) specify the Bonds, including Series designations, to be redeemed, the CUSIP numbers, certificate numbers, the date of issue, interest rate, maturity date of the Bonds to be redeemed, the redemption date, the date of notice, the redemption price and the place or places where amounts due upon such redemption will be payable (which shall be the designated principal corporate trust office of the Paying Agent or of its agent) and, if less than all of the Bonds of any Series are to be redeemed, the numbers of the Bonds and the portion of Bonds so to be redeemed and (ii) state that on the redemption date, the Bonds to be redeemed shall cease to bear interest.

Notice of redemption shall be given by the Paying Agent in the name of the County by mailing a copy of an Official Redemption Notice to the registered owners of the Bonds not less than 30 days prior to the date fixed for redemption, by first class mail at their addresses appearing on the bond registration books of the County maintained by the Registrar, and, if applicable, to the securities depository. Provision may be made in any applicable Series Resolution for notice by certified mail, or other type of special mailing, to the Holders of Bonds having an aggregate principal amount of, or Accreted Value in the case of Capital Appreciation Bonds, \$1,000,000 or more.

A second notice of redemption shall be given (within 60 days after the redemption date) in the manner required above, to the registered Holders of redeemed Bonds which have not been presented for payment within 30 days after the redemption date. However, failure to give such notice shall not affect the validity of the redemption of the Bonds.

(A) Anything contained in this Ordinance to the contrary notwithstanding, failure to mail any such notice (or any defect in the notice) to one or more Holders of Bonds shall not affect the validity of any proceedings for such redemption with respect to Holders of Bonds to which notice was duly given.

(B) The giving of any notice of redemption described above, other than for mandatory sinking fund redemptions, shall be conditioned upon the actual issuance and sale by

the County of the Refunding Bonds utilized to make the redemption and receipt by the County of the redemption price of the Bonds out of such refunding, or the deposit by the County of the redemption price of the Bonds from other available resources.

(C) Any Bonds which have been duly selected for redemption, as well as any Bonds which are deemed to be paid in accordance with this Article III, shall cease to bear interest on the specified redemption date.

ARTICLE IV

Construction Fund

SECTION 401. Construction Fund. There is hereby created and established a special fund to be called the "Dade County Water and Sewer Utility Construction Fund" (the "Construction Fund"), which shall be held by the Department. A separate account shall be established in the Construction Fund for each Series of Bonds issued hereunder from time to time relating to a Project, which shall be provided for in the applicable Series Resolution.

The moneys in the Construction Fund shall be held in trust and applied to the payment of the Cost of any Improvements and, pending such application, shall be subject to a lien and charge in favor of the Holders of the Bonds issued and Outstanding under this Ordinance and for the further security of such Holders until paid out, as herein provided.

SECTION 402. Payments from Construction Fund. Payment of the Cost of any Improvements shall be made from the applicable Construction Account, as provided for in the Series Resolution relating to the applicable Project. Moneys in the respective Construction Accounts shall be disbursed subject to such controls and procedures as the County may from time to time institute in connection with the disbursement of funds for paying the Cost of Projects, and in accordance with, or as provided for by the applicable Series Resolution.

SECTION 403. Cost of Improvements. The Cost of any Improvements to be constructed or acquired shall include, without limitation, the following:

- (a) obligations incurred for labor and materials and to contractors, builders and materialmen in connection with the construction of enlargements, improvements, and extensions, for machinery and equipment, for the restoration of property damaged or destroyed in connection with such construction, for the relocation of water and sewer lines and for the demolition and disposal of structures necessary or desirable in connection with such construction or the operation of the Water and Sewer Utility;
- (b) interest accruing upon any Bonds prior to the commencement of and during construction or for any additional period as may be determined by the County, subject to any limitation in the applicable Series Resolution;
- (c) the cost of acquiring any Water System or Sewer System now serving any portion of the County and territory adjacent thereto, or any part of such system, either within or without or partly within and partly without the corporate limits of the County;

- (d) the cost of acquiring by purchase, and the amount of any award or final judgment in any proceeding to acquire by condemnation, such land, structures, facilities and improvements, interests in lands as necessary or convenient in connection with such construction or with the operation of the Water and Sewer Utility, and the amount of any damages incident thereto;
- (e) expenses of administration properly chargeable to such construction or acquisition, legal, architectural and engineering expenses and fees, cost of audits and of preparing and issuing the Bonds, fees and expenses of consultants, financing charges, taxes or other governmental charges lawfully assessed during construction, premiums on insurance in connection with construction, the cost of funding the Reserve Account, costs of Credit Facilities, Hedge Charges, costs of issuance and all other items of expense not elsewhere specified herein, incident to the financing, construction or acquisition of any Improvements and the placing of the same in operation; and
- (f) any obligation or expense advanced by the County for any of the foregoing purposes, which is legally reimbursable.

SECTION 404. Disposition of Construction Fund Balance. When the construction of any Improvements shall have been completed, which fact shall be determined by the County Manger or Finance Director in a manner approved by him, the balance in the Construction Fund not reserved by the County for the payment of any remaining part of the Cost of such Improvements (i) shall be deposited, at the option of the County, to the credit of the Renewal and Replacement Fund, (ii) to the credit of the Debt Service Fund, (iii) shall be applied to purchase or redeem outstanding Bonds, or (iv) may be applied to the Cost of other Improvements to the Utility.

ARTICLE V

Revenues and Funds

SECTION 501. Security for Bonds, Hedge Obligations and Hedge Charges.

The Bonds shall be a special and limited obligation of the County, payable solely from and secured by a prior lien upon and a pledge of the Pledged Revenues of the Water and Sewer Utility as herein provided. Until payment has been provided for as herein permitted, the payment of the principal of and interest on the Bonds and all Hedge Obligations shall be secured forthwith equally and ratably by an irrevocable lien on the Pledged Revenues, and the County does hereby irrevocably pledge and grant a lien upon such Pledged Revenues to the payment of the principal of and interest on the Bonds, the reserves therefor, Hedge Obligations, and for all other required payments hereunder including Hedge Charges, in the manner and with the priority of application as provided herein. Unless provided for by supplemental ordinance, no Holder of any Bonds issued hereunder nor any Counterparty shall have the right to require or compel the exercise of the ad valorem taxing power of the County or taxation in any form of any property therein for payment of the Bonds or any Hedge Obligation or Hedge Charges, or be entitled to payment of such amount from any other funds of the County, except from the Pledged Revenues in the manner provided herein.

The County does hereby irrevocably pledge and grant a lien upon the Pledged Revenues, subject and subordinate to the application of Pledged Revenues for the purposes and in the manner provided herein, to the payment of Hedge Charges.

SECTION 502. Creation of Funds and Accounts. The following special funds and accounts are hereby created and established: the "Dade County Water and Sewer Utility Revenue Fund" (herein called the "Revenue Fund"); the "Dade County Water and Sewer Utility Bond Debt Service Fund" (herein called the "Debt Service Fund") together with three separate accounts therein, designated "Bond Service Account", "Redemption Account", and "Reserve Account", respectively; the "Dade County Water and Sewer Utility Renewal and Replacement Fund" (herein called the "Renewal and Replacement Fund"); the "Dade County Water and Sewer Utility Plant Expansion Fund" (herein called the "Plant Expansion Fund"); the "Dade County Water and Sewer Utility Rate Stabilization Fund" (herein called the "Rate Stabilization Fund"); and the "Dade County Water and Sewer Utility General Reserve Fund" (herein called the "General Reserve Fund").

A. Trust Funds. The moneys in each of said Funds and Accounts shall be held in trust by the County and applied as hereinafter provided with regard to each such Fund and Account and, pending such application, shall be subject to a lien and charge in favor of the Holders of the Bonds and Counterparties until paid out or transferred as herein provided.

B. Government Accounting Effect. The cash required to be accounted for in each of the Funds and Accounts established herein may be deposited in a single bank account, provided that adequate accounting records are maintained to reflect and control the allocation of the cash on deposit therein for the various purposes of such Funds and Accounts. The designation and establishment of the various Funds and Accounts in and by this Ordinance shall not be construed to require the establishment of any completely independent, self-balancing funds, as such term is commonly defined and used in governmental accounting, but rather is intended solely to constitute an earmarking of Operating Revenues, Capital Facilities Charges, if applicable, and certain other assets of the Water and Sewer Utility for certain purposes and to establish certain priorities for application of such Operating Revenues, Capital Facilities Charges and other assets as herein provided. The Plant Expansion Fund may be established as one or more accounting funds as necessary or desirable to account separately for water and wastewater Capital Facilities Charges or to reflect collection and expenditures, all in the manner required by law for the application of such Capital Facilities Charges.

C. Subaccounts. In each Series Resolution, the County may create subaccounts within the Funds and Accounts herein established with respect to one or more Series of Bonds and may provide that deposits to such Funds and Accounts shall be appropriately credited to such subaccounts, together with amounts received pursuant to any Credit Facility or Hedge Agreement. Amounts held in any such subaccount may be required to be held solely for the applicable Series of Bonds and applied to the payment thereof or to the payment of Payment Obligations and Hedge Obligations relating to such Series.

SECTION 503. Flow of Funds. For as long as any of the principal of and interest on any of the Bonds shall be outstanding and unpaid, or until payment has been provided for as herein permitted, or until there shall have been set apart in the Debt Service Fund, including the Reserve Account therein, a sum sufficient to pay when due the entire principal of the Bonds remaining unpaid, together with interest accrued or to accrue thereon, and all Hedge Obligations and Hedge Charges, the County covenants with the Holders of any and all Bonds as follows:

Application of Revenues. All Revenues shall be deposited in the Revenue Fund as received. Moneys in the Revenue Fund shall be applied to pay Operating Expenses and to create an Operating Expense reserve in an amount to be determined by the County (not to exceed 1/6th of the budgeted Operating Expenses for the then-current Fiscal Year). Thereafter, the County, on or before the 20th day of each month, commencing in the month immediately following the

first delivery of any Bonds, shall apply the remaining amount to the credit of the following Funds and Accounts in the following order:

- (i) to the credit of the Bond Service Account, an amount equal to one-sixth (1/6th) of the amount of interest payable on the Bonds of each Series on the interest payment date next succeeding (less any amount received as capitalized or accrued interest from the proceeds of any Bonds which is available for such interest payment) and an amount equal to one-twelfth (1/12th) of the next maturing installment of principal (or Accreted Value, as applicable) on all Serial Bonds then outstanding; provided, however, that:
 - (1) in each month intervening between the date of delivery of a Series of Bonds, and the next succeeding interest payment date and the next succeeding principal payment date, respectively, the amount specified in this subparagraph (i) shall be that amount which when multiplied by the number of deposits to the credit of the Bond Service Account required to be made during such respective periods will equal the amounts required (in addition to any amounts received as accrued interest or capitalized interest from the proceeds of such Bonds) for such next succeeding interest payment and next maturing installment of principal, respectively;
 - (2) the amount specified in this subparagraph (1) shall be reduced to take into account Hedge Receipts to be received on or before the succeeding interest payment date and shall be increased to provide for the payment of any Hedge Obligations to be paid on or before the succeeding interest payment date; and
 - (3) with respect to any Bonds (or any Hedge Agreement) bearing interest at a Variable Rate and/or payable other than semiannually, the amount specified in this subparagraph (i) for the payment of interest (or Hedge Obligation) shall be that amount necessary to provide substantially equal monthly payments for the payment of such interest (or Hedge Obligation) on the payment dates therefor.

- (ii) to the credit of the Redemption Account an amount equal to one-twelfth (1/12th) of the principal amount (or Accreted Value, as applicable) of Term Bonds of each Series then Outstanding required to be retired in satisfaction of the Amortization Requirements for such Bond Year, plus the redemption premiums, if any, which would be payable in such Bond Year for such Term Bonds were to be redeemed prior to their respective maturities from moneys held for the credit of the Debt Service Fund; and
- (iii) to the credit of the Reserve Account the amount required under Section 507 for such month; provided, however, no deposit shall be required in any month in which the amount on deposit in the Reserve Account is at least equal to the Reserve Account Requirement. If a Reserve Account Credit Facility is utilized and the Provider thereof is required to advance any sums to meet Principal and Interest Requirements or other sums required to be funded from the Reserve Account, the County shall reimburse the Provider within 12 months from the date the County receives written notice of such advance by the Provider; and
- (iv) to the payment of principal (including amortization installment, if any) of, and premiums and interest on, and other required payments with respect to Subordinate Obligations; and
- (v) to the credit of the Renewal and Replacement Fund, an amount equal to one-twelfth (1/12th) of the amount to be deposited from Revenues, if any, recommended by the Consultant pursuant to the provisions of Section 607 of this Ordinance, to the credit of said fund during such Fiscal Year; and
- (vi) in the discretion of the County, to the credit of the Rate Stabilization Fund in such sums as shall be determined by the County; and
- (vii) to the credit of the General Reserve Fund, the balance, if any, remaining thereafter.

If the amount deposited in any month to the credit of any of the Accounts or Funds shall be less than the amount required to be deposited under the foregoing provisions of this Section, the requirement therefor shall nevertheless be cumulative and the amount of any

deficiency in any month shall be added to the amount otherwise required to be deposited in each month thereafter until such time as all such deficiencies have been made up.

SECTION 504. Payment of Operating Expenses. The Operating Expenses of the Water and Sewer Utility shall be paid from the Revenue Fund. Such Operating Expenses shall be paid as the same become due and payable, shall be made in accordance with standard practices and procedures of the County established from time to time, and the Annual Budget.

SECTION 505. Application of Monies in Bond Service Account. (a) Except as provided in subsection (b), all Hedge Receipts shall be deposited by the County directly into the Bond Service Account and applied as provided in this Section. The Finance Director, on or before each interest or principal payment date, shall withdraw from the Bond Service Account, and deposit in trust with the Paying Agents the amounts required for paying the interest on the Bonds as such interest becomes due and payable and the principal of all Serial Bonds as such principal becomes due and payable. In addition, on or before each payment date for any Hedge Obligation, the Finance Director shall withdraw from the Bond Service Account the amount payable with respect to such Hedge Obligation and pay such amount to the applicable Counterparty. Such payments may be made by wire transfer or other electronic means or as may be provided with respect to any Book-Entry System.

(b) Hedge receipts constituting termination payments may, at the option of the County, be applied to acquire a replacement Hedge Agreement on terms similar to the expired or terminated Hedge Agreement and, in such event, only the Hedge Receipts in excess of the cost of entering into such replacement Hedge Agreement shall be deposited into the Bond Service Account as required by subsection (a).

SECTION 506. Application of Moneys in Redemption Account. Moneys held for the credit of the Redemption Account shall be applied to the retirement of the Bonds issued under the provisions of this Ordinance as follows:

(a) Subject to the provisions of paragraph (c) of this Section, the Finance Director may purchase any Term Bonds secured hereby and then outstanding, whether or not such Term Bonds shall then be subject to redemption, on the most advantageous terms obtainable with reasonable diligence, such price not to exceed the principal of such Term Bonds plus the amount of the redemption premium, if any, which might on the next redemption date be paid to the Holders of such Term Bonds if such Term Bonds should be called for redemption on such date from moneys in the Debt Service Fund. The Finance Director shall pay the interest accrued on such Term Bonds to date of settlement therefor from the Bond Service Account and the purchase price from the Redemption Account, but no such purchase shall be made by the Finance Director within the period of forty-five (45) days next preceding any interest payment date on which such Term

Bonds are subject to call for redemption under the provisions of this Ordinance, except from moneys other than moneys set aside or deposited for the redemption of Term Bonds.

(b) Subject to the provisions of Article III of this Ordinance and paragraph (c) of this Section, the Finance Director may call for redemption on each interest payment date on which Term Bonds are subject to redemption that amount of such Term Bonds as, with the redemption premium, if any, will exhaust the moneys which will be held for the credit of the Redemption Account on said interest payment date as nearly as may be practicable; provided, however, that not less than Fifty Thousand Dollars (\$50,000) principal amount of Term Bonds shall be called for redemption at any one time unless a lesser amount shall be required to satisfy the Amortization Requirement for any Bond Year. Such redemption shall be made pursuant to the provisions of Article III of this Ordinance and the applicable Series Resolution. The Finance Director, on or before the redemption date, shall withdraw from the Bond Service Account and the Redemption Account and set aside in separate accounts or deposit with the Paying Agent the respective amounts required for paying the interest on, and the principal and redemption premium of, the Term Bonds so called for redemption.

(c) Moneys held by the Finance Director in the Redemption Account shall be applied by the Finance Director each Bond Year to the retirement of Bonds then outstanding in the following order:

First: to the retirement of Term Bonds to the extent of the Amortization Requirement, if any, for such Bond Year for such Term Bonds, plus the applicable premium, if any, and any deficiency in any preceding Bond Years in the purchase or redemption of such Term Bonds under the provisions of this subdivision and, if the amount available in such Bond Year shall not be sufficient therefor, then in proportion to the Amortization Requirement, if any, for such Bond Year for the Term Bonds of each such Series then outstanding, plus the applicable premium, if any, and any such deficiency.

Second: Term and Serial Bonds may be retired by optional redemption or by purchase as provided in or by the Series Resolution under which such Serial Bonds are issued.

Upon the retirement of any Bonds by purchase or redemption the Finance Director shall file with the Clerk and the Director a statement briefly describing such Bonds and setting forth the date of their purchase or redemption, the amount of the purchase price or the redemption price of such bonds and the amount paid as interest thereon. The expenses in

connection with the purchase or redemption of any Bonds shall be paid by the Department from the Revenue Fund.

SECTION 507. Application of Moneys in Reserve Account. Each Series of Bonds shall be secured by the Reserve Account. The Reserve Account should be funded with cash, investments or a Reserve Account Credit Facility or any combination thereof. Upon the initial issuance of any Bonds hereunder, the County shall deposit into the Reserve Account the amount necessary to make the balance in the Reserve Account equal to the Reserve Account Requirement; provided, however, that if the County shall have obtained written evidence from each Rating Agency that a withdrawal or reduction in the rating(s) then assigned to the Outstanding Bond will not result, the County may fund not less than fifty percent (50%) of the Reserve Account Requirement applicable to any Series of Bonds on the date of issuance of the applicable Bonds, and the remaining Reserve Requirement may be funded in substantially equal monthly installments over a period not to exceed 36 months, all as same may be provided for in the applicable Series Resolution. Moneys held for the credit of the Reserve Account shall first be used for the purpose of paying the interest on and the principal of the Bonds whenever and to the extent that the available moneys held for such purpose for the credit of the Bond Service Account and the General Reserve Fund shall be insufficient for such purpose, and thereafter for the purpose of making deposits to the credit of the Redemption Account of the Debt Service Fund pursuant to the requirements of clause (b) of Section 503 of this Ordinance whenever and to the extent that withdrawals from the Revenue Fund and the amount on deposit in the General Reserve Fund are insufficient for such purposes, and shall next be used to pay Payment Obligations with respect to the applicable Reserve Account Credit Facility, if any. Amounts withdrawn from the Reserve Account for the purpose of payment of debt service on any Bonds shall be replenished by substantially equal monthly deposits into the Reserve Account over a period not to exceed 60 months. If at any time the moneys held for the credit of any subaccount in the Reserve Account shall exceed the Reserve Account Requirement for those Bonds which are secured by such subaccount, such excess shall be withdrawn by the Finance Director and deposited to the credit of the Revenue Fund.

SECTION 508. Application of Moneys in Renewal and Replacement Fund. Except as hereinafter provided in this Section, or except in case of an emergency caused by some extraordinary occurrence, so characterized in a certificate signed by the Consultant and filed with the Finance Director, and an insufficiency of moneys held for the credit of the Revenue Fund to meet such emergency, moneys held for the credit of the Renewal and Replacement Fund shall be disbursed only for the purpose of paying the cost of unusual or extraordinary maintenance or repairs, the cost of renewals and replacements, the cost of acquiring, installing or replacing equipment and acquiring and constructing additions, extensions and improvements and engineering, legal and administrative expenses relating to the foregoing and the cost of providing a local share of moneys required to entitle the County to receive

federal or state grants or participate in federal or state assistance programs related to the Water and Sewer Utility.

If at any time the moneys held for the credit of the Bond Service Account, the General Reserve Fund and the applicable subaccounts of the Reserve Account shall be insufficient for the purpose of paying the interest on and the principal of the Bonds as such interest and principal become due and payable, then the Finance Director shall withdraw from any moneys held for the credit of the Renewal and Replacement Fund and deposit to the credit of the Bond Service Account an amount sufficient to make up any such deficiency. If at any time the moneys held for the credit of the General Reserve Fund and the applicable subaccounts of the Reserve Account shall be insufficient for making the deposits to the credit of the Redemption Account required by clause (b) of Section 506 of this Article, then the Finance Director shall withdraw from any moneys held for the credit of the Renewal and Replacement Fund and deposit to the credit of the Redemption Account an amount sufficient to make up any such deficiencies; provided, however, that no such transfer shall be made unless the moneys then held for the credit of the Bond Service Account are at least equal to the maximum requirement therefor under Section 505. For purposes of this Section, amounts in any subaccount of the Reserve Account which serves as security for particular Bonds, are available for the payment of debt service on those particular Bonds and are not available for the purpose of paying debt service on any other Bonds.

SECTION 509. Application of Moneys in Rate Stabilization Fund. Moneys held for the credit of the Rate Stabilization Fund may only be used for transfer to the credit of the Revenue Fund at the time and in the amounts determined by the County; provided that such moneys shall be deposited to the credit of the Revenue Fund to the extent necessary to avoid a deficiency in the required deposits and payments therefrom.

SECTION 510. Application of Moneys in the General Reserve Fund. Moneys held for the credit of the General Reserve Fund at the election of the County may be applied to one or more of the following purposes:

- (a) to make up deficiencies in any of the Accounts and Funds created by this Ordinance including, but not limited to, any deficiencies in the Revenue Fund required for the payment of Operating Expenses;
- (b) to pay the principal of and the interest on any obligations issued or indebtedness incurred by the County to finance or refinance the Cost of Improvements, which obligations are junior and subordinate with respect to lien on and pledge of Revenues to the Bonds issued under the provisions of this Ordinance;

- (c) to pay the Cost of Improvements;
- (d) to purchase or redeem Bonds;
- (e) to pay the Cost of any item qualifying as an authorized expenditure from the Renewal and Replacement Fund;
- (f) paying principal, interest and redemption premium, if any, on any general obligation bonds issued by the County for the purposes of the Water and Sewer Utility, if such amount is set forth in the Annual Budget, and
- (g) any other lawful purpose of the Water and Sewer Utility, including, but not limited to, the payment of rebate, Credit Facility Charges, Hedge Charges and Payment Obligations and to make contributions to other funds of the County in the amounts to be determined by the Board, to the extent legally permitted.

Provided, however, that in the event of any deficiencies in any Accounts or Funds created by this Ordinance the moneys in the General Reserve Fund shall be applied to make up all such deficiencies prior to applying any moneys in the Reserve Account or the Renewal and Replacement Fund for such purpose.

SECTION 511. Investment of Moneys in Funds and Accounts. All moneys in the funds and accounts created hereunder shall be invested and reinvested in Investment Obligations. Investment Obligations allocated to any fund or account shall mature not later than the respective dates, as estimated by the Department, that moneys held for the credit of such fund or account will be needed for the purposes thereof. In the case of the Reserve Account, Investment Obligations shall mature (or be subject to mandatory purchase at the option of the Holder) not later than seven (7) years, unless the Investment Obligation is of such a nature that it can be drawn upon or redeemed at par, in which event such Investment Obligation may mature not later than the final maturity on Bonds secured by the Reserve Account. Investment earnings may be retained in such account to the extent necessary to maintain the Reserve Account Requirement therein, or may be transferred to the Construction Fund, if any, if necessary or desirable in connection with any Series as determined by the County at or prior to the issuance of such Series. Except as otherwise provided herein with respect to any particular moneys, and except to the extent necessary to be deposited into the Rebate Fund in accordance with any Tax Compliance Certificate, all income received on Investment Obligations shall upon receipt be deposited into the Revenue Fund.

SECTION 512. Security for Deposits. Any and all moneys deposited under the provisions of this Ordinance shall, to the extent provided herein, be trust funds under the

terms hereof and shall not be subject to any lien or attachment by any creditor of the County or the Department other than as provided herein. Such moneys shall be held in trust and applied in accordance with the provisions of this Ordinance.

All money deposited in the funds and accounts created under this Ordinance in excess of the amount guaranteed by the Federal Deposit Insurance Corporation or other federal agency shall be continuously secured for the benefit of the County and the Holders in such manner as may then be required or permitted by applicable State or federal laws and regulations regarding the security for, or granting a preference in the case of, the deposit of trust or public funds; provided, however, that it shall not be necessary to give security for any money that shall be represented by obligations purchased under the provisions of this Ordinance as an investment of such money unless otherwise required by applicable law.

ARTICLE VI

Covenants

SECTION 601. Water and Sewer Rates. The County covenants that it will cause the schedules of rates for water and sewer service by the Water and Sewer Utility to be not less than the schedules fixed and prescribed by resolutions heretofore adopted by the County and now in effect as of the date of this Ordinance, and that neither such schedules nor the effective dates thereof will be revised except as hereinafter provided in this Article, except that there shall be no restriction on increasing rates at any time.

SECTION 602. Rate Covenant. The County further covenants that it will fix, charge and collect rates and charges for the use of the services and facilities furnished by the Water and Sewer Utility and that from time to time, and as often as it shall be necessary, it will adjust such rates and charges by increasing or decreasing the same or any selected categories of rates and charges, so as to provide Net Operating Revenues in each Fiscal Year, commencing with the Fiscal Year beginning October 1, 1993, equal to (a) one hundred ten percent (110%) of the Principal and Interest Requirements on the Bonds for such Fiscal Year, plus (b) one hundred percent (100%) of the required deposits into the Reserve Account (less any portion thereof to be deposited from proceeds of Bonds) together with any Reserve Account Credit Facility Costs payable in such Fiscal Year. In addition to satisfying the debt service coverage requirements set forth above, the Adjusted Net Operating Revenues remaining after deduction of the Maximum Principal and Interest Requirements on all Bonds shall be at least equal to one hundred percent (100%) of all debt service and reserve requirements on Subordinate Obligations;

In case the County has made deposits of Net Operating Revenues to or withdrawals from the Rate Stabilization Fund during such Fiscal Year Net Operating Revenues shall be adjusted by subtracting the amount of any such deposits and by adding the amount of any such withdrawal.

SECTION 603. Annual Budget. The County covenants that on or before the first day of each Fiscal Year the Board will cause the Department to adopt a budget of Operating Expenses and Capital Expenditures for such Fiscal Year (herein sometimes called the "Annual Budget"). Copies of the Annual Budget shall be filed with the Clerk and the Finance Director and mailed by the County to those Credit Facility Providers, Counterparties and Bondholders who shall have filed a request for the same and who have submitted their names and addresses with the Clerk for such purpose.

If for any reason the Board shall not have adopted the Annual Budget before the first day of any Fiscal Year, the Annual Budget for the preceding Fiscal Year, until the adoption

of the Annual Budget for such Fiscal Year shall be deemed to be in force and shall be treated as the Annual Budget under the provisions of this Article.

The Board may at any time adopt an amended or supplemental Annual Budget for the remainder of the then current Fiscal Year and the Annual Budget so amended or supplemented shall be treated as the Annual Budget under the provisions of this Article. Copies of any such amendment or supplemental Annual Budget shall be filed with the Clerk and the Finance Director and mailed by the County to all Bondholders who shall have filed their names and addresses with the Clerk for such purpose.

SECTION 604. Payment of Principal, Interest and Premiums. The County covenants that it will promptly pay (i) the principal of and the interest on each and every Bond issued under the provisions of this Ordinance at the places, on the dates and in the manner specified herein and in said Bonds and any premium required for the retirement of said Bonds by purchase or redemption according to the true intent and meaning thereof.

Bonds issued under the provisions of this Ordinance and Hedge Agreements secured hereunder shall not be deemed to constitute a debt of the County or a pledge of the faith and credit of the County but such Bonds shall be payable solely from the funds provided therefor from Revenues. The issuance of the Bonds shall not directly or indirectly or contingently obligate the County to levy or to pledge any form of taxation whatever therefor, nor shall any such Bonds constitute a charge, lien or encumbrance, legal or equitable, upon any property of the County.

SECTION 605. Construction of Improvements; Operation of Water and Sewer Utility. The County covenants that it will construct any Improvements for the construction of which Bonds shall be issued under the provisions of this Ordinance, or for which moneys repayable from the proceeds of Bonds issued under the provisions of this Ordinance shall have been or are to be expended, in accordance with plans theretofore approved by the Consultant and that upon the completion of such Improvements it will operate and maintain the same as a part of the Water and Sewer Utility.

SECTION 606. Covenant as to Maintenance, Repair and Operation. The County covenants that it will establish and enforce reasonable rules and regulations governing the use of the Water and Sewer Utility and the operations thereof, that it will operate the Water and Sewer Utility in an efficient and economical manner, that it will at all times maintain the Water and Sewer Utility in good repair and in sound operating condition and will make all necessary repairs, renewals and replacements, and that it will comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the Water and Sewer Utility.

SECTION 607. Employment of Consultant. The County covenants and agrees that so long as any Bonds are outstanding under this Ordinance, it will employ a Consultant whose duty shall be to prepare and file with the County on or before the 1st day of September in each year a report setting forth their recommendations as to any necessary or advisable revisions of rates and charges and such other advice and recommendations as they may deem desirable. The Consultant shall include in such report its recommendations as to the amount that should be deposited monthly during the next Fiscal Year to the credit of the Renewal and Replacement Fund for the purposes set forth in Section 508 of this Ordinance.

Anything in this Ordinance to the contrary notwithstanding, if the County shall comply with all recommendations of the Consultant in respect of rates and charges and is current on its deposits to the Renewal and Replacement Fund, it will not constitute an Event of Default under this Ordinance if the total amounts deposited to the credit of the Bond Service Account, the Redemption Account or the Reserve Account, as the case may be, in any Fiscal Year, shall be less than the amounts required in Section 602 herein; provided, however, that in any Fiscal Year the County shall have Net Operating Revenues of at least 100% of Maximum Principal and Interest Requirements and 100% of all required deposits to the Reserve Account.

The County shall employ a Consultant to make physical inspection of the Utility at least once every three years and render a written report as to the state of condition and repair of the Utility, including therein recommendations as to repairs, replacements and improvements required.

The County further covenants that the Consultant shall at all times have free access to all properties of the Water and Sewer Utility and every part thereof for the purposes of inspection and examination, and that the County's books, records and accounts relating to the Utility may be examined by the Consultant at all reasonable times.

SECTION 608. Employment of Accountant. For the purpose of performing and carrying out the duties imposed on the Accountant by this Ordinance, the County will employ an accountant of suitable experience and responsibility.

SECTION 609. Insurance. The County covenants that it will maintain a practical insurance program, with reasonable terms, conditions, provisions and costs, which the County determines will afford adequate protection against loss, caused by damage to or destruction of the Water and Sewer Utility or any part thereof and also such comprehensive public liability insurance on the Water and Sewer Utility for bodily injury and property damage.

All such insurance policies shall be carried by a responsible insurance company or companies satisfactory to the County Manager and authorized and qualified under the laws of the State of Florida to assume the risk thereof.

The proceeds of all such insurance covering damage to or destruction of the Water and Sewer Utility shall be deposited with the Finance Director and shall be available for and, to the extent necessary, shall be applied to the repair, replacement or reconstruction of the damaged or destroyed property, and shall be paid out in the manner hereinabove provided for payments from the Construction Fund. If such proceeds are more than sufficient for such purpose, the balance remaining shall be deposited to the credit of the General Reserve Fund. If such proceeds shall be insufficient for such purpose, the deficiency may be supplied out of any moneys in the General Reserve Fund or the Renewal and Replacement Fund. The proceeds of all insurance covering loss of Operating Revenues shall be deposited to the credit of the Revenue Fund.

Copies of all recommendations and approvals made by the Consultant under the provisions of this Section shall be filed with the Finance Director.

Notwithstanding the foregoing provisions of this Section, the County may institute and maintain self-insurance programs with regard to such risks as shall be consistent with the recommendations of the Dade County Insurance Department; provided, however, the Dade County Insurance Department shall determine the premiums on an actuarially sound basis, and the premiums so determined shall be paid annually.

SECTION 610. Records, Accounts and Audits. The County covenants that it will keep the accounts of the Water and Sewer Utility separate from all other accounts of the County or of any of its departments, and that it will keep accurate records and accounts of all items of cost and of all expenditures relating to the Water and Sewer Utility and of the Operating Revenues collected and the application of such Operating Revenues.

The County further covenants that, at the end of each Fiscal Year, it will prepare financial statements of the Water and Sewer Utility in accordance with GAAP and that it will cause an audit of the financial statements to be made by the Accountant. Such audit will be conducted in accordance with generally accepted auditing standards. The audit will be completed within sixty (60) days after the completed financial statements are submitted to the Accountant and such financial statements shall be submitted to the Accountant within sixty (60) days after the end of the Fiscal Year. The County will also cause an annual report of operations of the Water and Sewer Utility to be prepared, such annual report to cover the matters usually contained in annual reports for water and sewer systems. Within a reasonable time thereafter reports of each such audit and copies of each annual report shall be filed with the Finance Director and the Director and copies of such reports shall be mailed by the Director to the Consultant. The scope of the Accountant's audit will be sufficient to enable them to express an opinion that the County has complied with the conditions and covenants of its Ordinance or to the extent that such audit causes them to be of the opinion that compliance has not been met, to report events of non-compliance which came to their attention as a result of their audit which

was designed for the purpose of testing such compliance. The cost of such audits shall be treated as a part of the cost of operation.

The County further covenants that it will cause any additional reports or audits relating to the Water and Sewer Utility to be made as required by law.

For the purposes of this Ordinance each fund, account or sub-account created or provided for hereunder shall be a series of accounts within the book of accounts of the Water and Sewer Utility and shall connote a segregation of accounts, which will support special purpose disclosure reports, not to be construed as a separate set of books of accounts.

SECTION 611. Mandatory Connections. The County, to the full extent permitted by law, will require all lands, buildings and structures within the service area of the Water and Sewer Utility, fronting or abutting on the lines of the Water and Sewer Utility, or any part thereof, or which can use the facilities of the Water and Sewer Utility to connect with and use such facilities within ninety (90) days after notification that service is available. The County may make charges for sewage disposal service effective as to each lot or parcel of land which may feasibly use the facilities of the sewer portion of the Water and Sewer Utility at the time when the construction of the sewer lines abutting upon such lot or parcel of land or sewer lines from which such lot or parcel of land may feasibly be served are completed and are ready for service.

The County may grant franchises for the operation of water systems or sewer systems or water and sewer systems if the Consultant shall certify that (a) the area to be covered by such franchise cannot be served feasibly by the Water and Sewer Utility in accordance with generally accepted engineering practices, (b) the customers in the area to be covered by such franchise would be better served by the proposed grantee of the franchise than by the Water and Sewer Utility and (c) the granting of such franchise will not require the County to raise the rates and charges for the services and facilities of the Water and Sewer Utility in order to comply with Section 602 of this Ordinance.

SECTION 612. Supervisory Personnel. The Director shall serve as the manager of the Water and Sewer Utility. The County shall require all employees who may have possession of money of the County derived from the operation of the Water and Sewer Utility to be covered by a fidelity bond, written by a responsible indemnify company in amounts fully adequate to protect the County from loss.

SECTION 613. No Free Service. The County will not render or cause to be rendered any free services of any nature by the facilities of the Water and Sewer Utility nor will any preferential rates be established for users of the same class; the County including its departments, agencies and instrumentalities in the service area, shall avail itself of the facilities

of the Water and Sewer Utility, and the same rates, fees and charges applicable to other customers receiving like services under similar circumstances shall be charged to the County and any such department, agency or instrumentality. Such charges will be paid as they accrue, and the County shall transfer from its appropriate funds sufficient sums to pay such charges. The moneys so received shall be deemed to be Operating Revenues and shall be deposited and accounted for in the same manner as other Revenues.

SECTION 614. Failure to Pay for Services. To the extent permitted by law, upon failure of any user to pay for services rendered within ninety (90) days, the County shall shut off the connection of such user to the Water and Sewer Utility and shall not furnish him or permit him to receive further service until all obligations owed by him to the County on account of services shall have been paid in full. This covenant shall not, however, prevent the County from causing any connection to be shut off sooner. To the extent permitted by law, the County shall not provide any water or sewer service to any new property owner until such time as all delinquent charges owed for services rendered to such property are paid.

SECTION 615. Enforcement of Collections. The County will diligently enforce and collect the rates, fees and other charges for the services of the Water and Sewer Utility; will take all steps, actions and proceedings for the enforcement and collection of such rates, fees and charges that become delinquent, to the full extent permitted or authorized by law; and will maintain accurate records with respect thereto. All such rates, fees, charges and revenues herein pledged, as collected, shall be held in trust to be applied as provided in this Ordinance and not otherwise.

SECTION 616. Right to Borrow and Pledge Federal Grants. Notwithstanding anything contained in this Ordinance, the County shall have the right from time to time to incur indebtedness to any person for the purpose of paying all or any part of the Cost of Improvements for paying the cost of which the County has a grant agreement with the Federal government provided, that such indebtedness shall be payable as to principal, interest and premium solely from moneys to be received by the County pursuant to such grant agreement and such indebtedness may in no event be payable from Revenues.

SECTION 617. Disposition of Assets. Except for the sale of parts being replaced in the ordinary course of business, the County will not sell or otherwise dispose of any portion or component of the Utility, except under the following conditions:

- (1) If the original cost of the property in question, as determined by the Consultant, together with the original cost of all property previously sold or disposed of in such Fiscal Year, does not exceed two percent (2%) of the property, plant and equipment of the Utility as shown on the County's most recent audited financial statements, then such property may be sold,

if the Board (by affirmative vote at a meeting duly called and held), shall find that such property is no longer necessary, useful or profitable in the operations of the Utility, and the Board authorizes the sale of such property. The proceeds received from the sale of such property shall be deposited in the Renewal and Replacement Fund.

- (2) If the original cost of the property in question, together with the original cost of all property previously sold or disposed of in such Fiscal Year, exceeds two percent (2%) of the property, plant and equipment of the Utility as shown on the County's most recent audited financial statements, then such property may be sold if a Consultant shall first find in writing delivered to the Department that the sale or disposition of such property will not materially and adversely affect the Net Operating Revenues of the Utility in any of the five (5) Fiscal Years following the Fiscal Year in which such property is sold, and if the Board (by affirmative vote at a meeting duly called and held) shall find that such property is no longer necessary, useful or profitable in the operations of the Utility, and the Board authorizes the sale of such property. The proceeds derived from the sale of such property shall be deposited first into the Renewal and Replacement Fund in an amount which the Consultant shall certify is necessary to replenish the fund to the level recommended by the Consultant for such Fiscal Year, and the remainder of the proceeds shall be used to either (a) pay the cost of acquisitions, extensions or improvements to the Utility, or (b) retire Bonds, if callable, or to defease Bonds, to the maximum extent possible, pursuant to Section 901.

ARTICLE VII

Events of Default; Remedies

SECTION 701. Events of Default. Each of the following events is hereby declared an "Event of Default":

(a) Payment of the principal of or any premium on any Bond shall not be made when the same shall become due and payable, either at maturity or on required payment dates by proceedings for redemption, purchase or otherwise; or

(b) Payment of any installment of interest on any Bond shall not be made when the same shall become due and payable; or

(c) The County shall fail to cause any Bond to be purchased at the time required by the Series Resolution under which such bond was issued; or

(d) The County shall admit that it has been rendered incapable of fulfilling its obligations hereunder or under any Series Resolution to such an extent that the payment of or security for any of the bonds will be materially adversely affected, and that such condition has continued unremedied for a period of thirty (30) days after the County first became aware of such condition; or

(e) An order or decree shall be entered, with the consent or acquiescence of the County, appointing a receiver or receivers of the County or of any of the Pledged Revenues or of any of the funds herein described, or any part thereof or the filing of a petition by the County of or relief under federal bankruptcy laws or any other applicable law or statute of the United States of America or the State, which shall not be dismissed, vacated or discharged within thirty (30) days after the filing thereof; or

(f) Any proceedings shall be instituted, with the consent or acquiescence of the County, for the purpose of effecting a composition between the County and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statutes now or hereafter enacted, if the claims of such creditors are under any circumstances payable from the Pledged Funds or any of the funds; or

(g) The entry of a final judgment or judgments for the payment of money against the County which subjects the Pledged Revenues or any of the funds or any part thereof to a lien for the payment thereof in contravention of the provisions of this Resolution or of any Series Resolution for which there does not exist adequate insurance, reserves or appropriate surety or indemnity bonds for the timely payment thereof, and any such judgement shall not be

discharged within ninety (90) days from the entry thereof or an appeal shall not be taken therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, in such manner as to stay the execution of or levy under such judgment, order, decree or process or the enforcement thereof; or

(h) Any Event of Default under any Series Resolution which, by the terms of such Series Resolution, shall be deemed an Event of Default hereunder;

(i) The County shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in any of the Bonds, in this Resolution or in any Series Resolution on the part of the County to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given by the registered owners of not less than ten percent (10%) in aggregate principal amount (and Accreted Value, if applicable) of the one or more series of Bonds then Outstanding, with respect to which such default has occurred; or

(j) The County shall be in default on any payments which are due under any Credit Agreement relating to a Credit Facility or Reserve Account Credit Facility securing any Bonds and the Provider which issued such credit facility or reserve fund credit facility notifies the Finance Director in writing by registered mail that it elects to treat such default as an Event of Default hereunder; or

Notwithstanding the foregoing, but subject to limitations in any Series Resolution or Credit Agreement, with respect to the events described in clauses (d), (h) and (i), above, the County shall not be deemed in default hereunder if such default can be cured within a reasonable period of time and if the County in good faith institutes appropriate curative action and diligently pursues such action until the default has been corrected.

SECTION 702. Notice of Default. If any Event of Default shall occur, the Finance Director shall give, or cause to be given, within thirty (30) days after the Finance Director has knowledge of the Event of Default, unless such Event of Default shall have been cured, written notice of the Event of Default, by first class mail to the Holders of all Bonds and by registered or certified mail, to each Provider and Counterparty.

SECTION 703. Remedies. Any trustee, any Holder of Bonds issued under the provisions hereof acting for the Holders of all Bonds may by suit, action, mandamus or other proceedings in any court of competent jurisdiction, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under the laws of the State of Florida, or granted and contained herein, and may enforce and compel the performance of all duties herein required or by any applicable statutes to be performed by the County or by any

officer thereof. Nothing herein, however, shall be construed to grant to any Holder of such Bonds any lien on any property of or within the corporate boundaries of the County. No Holder of Bonds, however, shall have any right in any manner whatever to affect, disturb or prejudice the security of this Ordinance or to enforce any right hereunder except in the manner herein provided, and all proceedings at law or in equity shall be instituted and maintained for the benefit of all Holders of Bonds.

Nothing herein shall be construed to preclude any Counterparty from exercising any and all rights and remedies, including the right to the appointment of a receiver, available to it under the laws of the State of Florida as a pledgee to enforce the obligations of the County under the applicable Hedge Agreement.

If any payments of Principal and Interest Requirements are made by a Credit Facility Provider with respect to Bonds which have not been defeased in accordance with the provisions of Section 901 hereof, the lien upon and pledge of the money on deposit from time to time in the Funds and Accounts created and established herein and all covenants and other obligations of the Issuer to the Holders of such Bonds shall continue to exist and the Credit Facility Provider shall be subrogated to the rights of the Holders of such Bonds with respect to the Principal and Interest Requirements paid or insured by such Credit Facility Provider.

SECTION 704. Pro Rata Application of Funds. Anything in this Ordinance to the contrary notwithstanding, if at any time the available moneys in the Debt Service Fund shall not be sufficient to pay the principal of or the interest on the Bonds and Hedge Obligations as the same become due and payable, such moneys together with any moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall be applied as follows:

First: to the payment of the persons entitled thereto of all installments of interest then due and payable on the Bonds and all Hedge Obligations (other than termination payments), in the order in which such amounts become due and payable, and, if the amount available shall not be sufficient to make payment in full, then to the payment ratably, according to the amounts due, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds or applicable Hedge Agreement;

Second: to the payment of the persons entitled thereto of the unpaid principal of any of the Bonds and Hedge Obligations which are termination payments that have become due (other than Bonds called for redemption for the payment of which sufficient moneys are held pursuant to the provisions of this Ordinance), in the order of their due dates, and, if the amount available shall not

be sufficient to pay in full the principal of Bonds due on any particular date and then to the payment of such principal, ratably according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds; and

Third: to the payment of the interest on and the principal of the Bonds, Hedge Obligations and Hedge Charges, and to the purchase and retirement of Bonds and to the redemption of Bonds, all in accordance with the provisions of Article V of this Ordinance.

For purposes of the foregoing provisions of this Section, if any principal or interest on any particular Bonds is paid with funds advanced under any Credit Facility, the Credit Facility Provider shall become subrogated to the Holder's right to payment from the County of such principal or interest and shall be entitled to receive payment from the County under the foregoing provisions.

Whenever moneys are to be applied by the County pursuant to the provisions of this Section, such moneys shall be applied by the County at such times, and from time to time, as the Finance Director in his sole direction shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future; the deposit of such moneys with the Paying Agents, or otherwise setting aside such moneys, in trust for the proper purpose, shall constitute proper application by the County; and the County shall incur no liability whatsoever to any Bondholder or to any other person for any delay in applying any such funds, so long as the County acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Ordinance as may be applicable at the time of application. Whenever the Finance Director shall exercise such discretion in applying such funds, he shall fix the date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Finance Director shall give such notice as he may deem appropriate of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond until such Bond shall be surrendered to him for appropriate endorsement.

The pro-rata application of moneys pursuant to this Section 702 shall be adjusted with respect to Variable Rate Bonds and any Bonds bearing interest payable other than semiannually on October 1 and April 1 so as to ensure that each person entitled to receive payment shall receive as nearly as practicable the same proportion of the total amount due to such person, taking into account any interest paid since the preceding October 1 or April 1.

Notwithstanding the foregoing, moneys in each subaccount of the Reserve Account securing particular Bonds shall be used only to pay debt service on such particular Bonds (or to pay Payment Obligations to any Credit Facility Provider which has advanced moneys under a Credit Facility securing such Bonds) and moneys in any other subaccount in the Reserve Account shall not be used to pay debt service on said Bonds or to pay such Payment Obligations.

SECTION 705. Effect of Discontinuance of Proceedings. In case any proceeding taken by any Bondholder or Credit Facility Provider on account of any default shall have been discontinued or abandoned for any reason, then and in every such case the County and the Bondholder or Credit Facility Provider shall be restored to their former positions and rights hereunder, respectively, and all rights and remedies of the Bondholders and Credit Facility Providers shall continue as though no such proceeding had been taken.

SECTION 706. Restriction on Individual Bondholder Actions. No Holder of any of the Bonds hereby secured nor any Counterparty shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Ordinance or to enforce any right hereunder except in the manner herein provided, and all proceedings at law or in equity shall be instituted, had and maintained for the benefit of all Holders of such Bonds, and all Credit Facility Providers, as their respective interests may appear.

Nothing herein shall be construed to preclude any Counterparty from exercising any and all rights and remedies, including the right to the appointment of a receiver, available to it under the laws of the State of Florida as a pledgee to enforce the obligations of the County under the applicable Hedge Agreement.

SECTION 707. Right to Enforce Payment of Bonds. Nothing in this Article shall affect or impair the right of any Holder of a Bond to enforce the payment of the principal of and interest on his/her Bond, or the obligation of the County to pay the principal of and interest on each Bond to the Holder thereof at the time and place stated in said Bond or the right of any Counterparty to enforce payment of amounts due under a Hedge Agreement or the obligation of the County to make such payments in accordance with such Hedge Agreement.

ARTICLE VIII

Supplemental Ordinances

SECTION 801. Supplemental Ordinance Without Bondholders' Consent.

The Board, from time to time and at any time may adopt such ordinances supplemental hereto as shall not be incompatible with the terms and provisions hereof (which supplemental ordinance shall thereafter form a part hereof), in order to:

- (a) cure any ambiguity or formal defect or omission or to correct any inconsistent provisions in this Ordinance or in any supplemental ordinance, or
- (b) grant to or confer upon the Bondholders any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the Bondholders, or
- (c) add to the conditions, limitations and restrictions on the issuance of Bonds or the entering into of Hedge Agreements under the provisions of this Ordinance other conditions, limitations and restrictions thereafter to be observed, or
- (d) add to the covenants and agreements of the County in this Ordinance other covenants and agreements thereafter to be observed by the County or to surrender any right or power herein reserved to or conferred upon the County, or
- (e) to make other changes or modifications to the provisions of this Ordinance which are not adverse to the interests of the Bondholders, any Credit provider or any Counterparty.

SECTION 802. Supplemental Ordinance With Bondholders' Consent.

Subject to the terms and provisions contained in this Section, and not otherwise, the Holders of not less than two-thirds (2/3) in aggregate principal amount of the Bonds then outstanding shall have the right, from time to time, anything contained in this Ordinance to the contrary notwithstanding, to consent to and approve the adoption of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the County for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Ordinance or in any supplemental ordinance; provided, however, that nothing herein contained shall permit, or be construed as permitting, (a) an extension of the

maturity of the principal of or the interest on any Bonds issued hereunder, or (b) a reduction in the principal amount of any Bonds or the redemption premium or the rate of interest thereon, or (c) the creation of a lien upon or a pledge of Revenues other than a lien and pledge created by this Ordinance, or (d) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (e) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental ordinance, or (f) a change in any State Loan which is adverse to the interests of the Bondholders. Nothing herein contained, however, shall be construed as making necessary the approval by Bondholders of the adoption of any supplemental ordinance as authorized in Section 801 of this Article.

If the Holders (and Providers who are entitled to act in lieu of Holders) of not less than two-thirds (2/3) in aggregate principal amount of the Bonds outstanding at the time of the adoption of such supplemental ordinance shall have consented to and approved the adoption thereof as herein provided, no Holder of any Bond or Credit Facility Provider shall have any right to object to the adoption of such supplemental ordinance, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the Board from adopting the same or from taking any action pursuant to the provisions thereof.

Upon the enactment of any supplemental ordinance pursuant to the provisions of this Section, this Ordinance shall be and be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance of the County and all Holders of Bonds then outstanding shall thereafter be determined, exercised and enforced in all respects under the provisions of this Ordinance as so modified and amended.

SECTION 803. Rights of Credit Facility Provider. In the event that a Credit Facility is in full force and effect as to a Series of Bonds and the Credit Facility Provider is not insolvent and no default of the Credit Facility exists on the part of the Credit Facility Provider, then the said Credit Facility Provider, in place of the Holders of that Series of Bonds, shall have the power and authority to give any consents and exercise any and all other rights which the Holders of that Series would otherwise have the power and authority to make, give or exercise, including, but not limited to, the exercise of remedies provided in Article VII, and the giving of consents to supplemental ordinances when required by Section 802 above, and such consent shall be deemed to constitute the consent of the Holders of all of those Bonds which are secured by such Credit Facility.

SECTION 804. Supplemental Ordinances Part of Ordinance. Any supplemental ordinance enacted in accordance with the provisions of this Article and approved as to legality by the County Attorney shall thereafter form a part of this Ordinance, and all of the terms and conditions contained in any such supplemental ordinance as to any provision authorized to be contained therein shall be and shall be deemed to be part of the terms and

conditions of this Ordinance for any and all purposes. In case of the enactment and approval of any supplemental ordinance, express reference may be made thereof in the text of any Bonds issued thereafter, if deemed necessary or desirable by the County.

SECTION 805. Notice of Supplemental Ordinances. The County shall give to the Rating Agencies advance notice of the proposed adoption of any supplemental ordinance, which notice shall include the substantial form of such supplemental ordinance.

ARTICLE IX

Defeasance

SECTION 901. Cessation of Interest of Bondholders. If, when any Bonds secured hereby shall have become due and payable in accordance with their terms or shall have been called for redemption on either instructions to call the Bonds for redemption or to pay the Bonds at their respective maturities and mandatory redemption dates or any combination of such payment and redemption, and, if applicable, provisions for redemption shall have been made by the County with an appropriate escrow agent, the whole amount of the principal and the interest and premium, if any, so payable upon such Bonds then Outstanding shall be paid or sufficient moneys or Defeasance Obligations shall be held by such escrow agent for such purpose, and provision shall also be made for paying all other sums payable by the County on said Bonds, then and in that case the right, title and interest of the Holders of said Bonds in this Ordinance and any applicable Series Resolution shall thereupon cease, determine and become void; otherwise this Ordinance shall be, continue and remain in full force and effect; provided, however, that in the event Defeasance Obligations shall be deposited with and held by an escrow agent as above provided, in addition to the requirements set forth in Article II of this Ordinance, the Finance Director, within thirty (30) days after such Defeasance Obligations shall have been deposited with such escrow agent, shall cause a notice to be mailed to all registered owners of such Bonds or published once in a daily newspaper of general circulation, or a financial journal, published in the Borough of Manhattan, City and State of New York, setting forth the date designated for the redemption of the Bonds and identifying the Bonds to be redeemed. Further, when all amounts due under any Hedge Agreement and any Credit Facility shall have been paid or provided for (in the manner permitted under such Hedge Agreement or Credit Facility), then and only in that case the right, title and interest of the Counterparty or the Credit Facility Provider in this Ordinance shall thereupon cease, determine and become void.

ARTICLE X

Miscellaneous Provisions

SECTION 1001. Inconsistent Ordinances. All ordinances and parts thereof, including Chapter 32A of the Code of Metropolitan Dade County, which are inconsistent with any of the provisions of this Ordinance are hereby declared to be inapplicable to the provisions of this Ordinance.

SECTION 1002. Further Acts. The officers and agents of the County are hereby authorized and directed to do all acts and things required of them by the Bonds and this Ordinance, for the full, punctual and complete performance of all of the terms, covenants, provisions and agreements contained in the Bonds and this Ordinance.

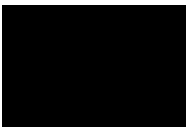
SECTION 1003. Headings Not Part of Ordinance. Any headings preceding the texts of the several Articles and Sections hereof and any table of contents, marginal notes or footnotes appended to copies hereof shall be solely for convenience of reference, and shall not constitute a part of this Ordinance, nor shall they affect its meaning, construction or effect.

SECTION 1004. No Third Party Beneficiaries. Except as herein otherwise expressly provided, nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the County, any applicable Credit Facility Provider, any Counterparty and the Holders of the Bonds issued under and secured by this Ordinance, any right, remedy or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the County, each Credit Facility Provider, each Counterparty and the Holders from time to time of the Bonds issued hereunder.

SECTION 1005. Severability. In case any one or more of the provisions of this Ordinance or of any Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Ordinance or of the Bonds, but this Ordinance and the Bonds and coupons shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

SECTION 1006. Application of Florida Law. The Bonds are issued and this Ordinance is adopted with the intent that the laws of the State of Florida shall govern their construction.

SECTION 1007: Effective Date. This Ordinance shall take effect ten (10) days after its adoption.

PASSED AND ENACTED ON this 16 day of November, 1993. 

Approved by County Attorney as
to form and legal sufficiency: RA6

Prepared by 

Co-Bond Counsel: Squire, Sanders & Dempsey
Valdes-Fauli, Cobb, Bischoff & Kriss, P.A.

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STATE OF FLORIDA)
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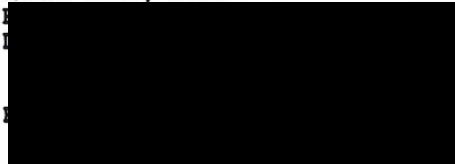
I, HARVEY RUVIN, Clerk of the Circuit Court in and for Dade County, Florida, and Ex-Officio Clerk of the Board of County Commissioners of said County, DO HEREBY CERTIFY that the above foregoing is a true and correct

COPY OF ORDINANCE 93-134 PASSED AND ADOPTED NOVEMBER 16, 1993

_____ as appears of record.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on
this 17 day of APRIL, A.D. 19 95.

HARVEY RUVIN, Clerk



Board of County Commissioners
Dade County, Florida